

**ORAL HISTORY INTERVIEWS**

**WILLIAM (BILL) R. GIANELLI**



**STATUS OF INTERVIEWS:  
OPEN FOR RESEARCH**



Interviews Conducted by:  
George Petershagen and Donald B. Seney  
1994

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For the Bureau of Reclamation's  
Oral History Program



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“ . . . water *is* the lifeblood of a lot of people in California . . . in terms of the agricultural

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“ . . . when the Department was formed, the functions of the Department of Finance and	

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the filing of those custodial applications went with the Department of Water Resources. That was one of the things that I continued to do along with the Watermaster service. . . . In addition to acting as Harvey Banks’s assistant . . .” . . . . . 26

“ . . . that got me into the counties of origin disputes because of the work that I’d done with respect to those state filings and the assignment of them. The law provided that you had to reserve water for the counties of origin when you made assignments of those filings for specific projects. . . .” . . . . . 26

“When I went out in private practice as a consultant in 1960 most of the reason that I was hired was by virtue of my knowledge on water rights. . . . most of the clients that I developed . . . were through lawyers . . . It was interesting that the engineers played a much more dominant role in the administration of water rights prior to 1956, because of it coming under the state engineer, than they have in subsequent years . . .” . . . . . 27

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E. A. Chandler . . . . . 29

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Sheridan Downey . . . . . 30

Worked with Ed Hyatt and Bob Edmonston . . . 31

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- “ . . . applications that were filed by the State Department of Finance beginning in 1927 were exempted from any showing of

diligence specifically by legislative action. . .  
. . . So the big advantage to a person using those applications was they could get an early priority and not have to worry about any showing of diligence until they were assigned to them from the Department of Finance. So what happened with respect to the Central Valley Project, the first units were completed in the '40s, but they proceeded under an application that was filed in 1927. So they have a priority . . . going back to 1927. . . .” . . . . . 36

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“ . . . when Pat Brown became Governor in 1959, he had a background on California’s water problem . . . So he appointed Ralph Brody as Special Counsel to the Governor, and the approach was then to enact legislation which would provide the financing to build a water project and get away from this legal argument on a constitutional amendment. . . .” . . . . . 43

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Project had. The State Water Project was designed very heavily to M&I use in southern California. . . . . 50

“The main support for the State Water Project came from southern California and Kern County. . . . .” . . . . . 51

“ . . . the Bureau, originally was oriented toward agriculture. It was not oriented toward M&I water. So when you brought in the needs of southern California, it really looked as though it was an assignment that wasn’t really geared for the Bureau of Reclamation . . . . .” . . . . . 51

“The 160-acre limitation was a very important reason why a lot of the farmers, particularly in Kern County, supported the State Water Project and did *not* want to go with the Bureau . . . . .” . . . . . 52

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“ . . . when this suggestion came along here a few years ago, surfaced again, I predicted, ‘Hogwash! It’s never going to happen. Go back and read the history of what happened back here in the 1950s when the state proposed that.’ . . . . .” . . . . . 53

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Worked on the California and Nevada Negotiation of Compacts on the Truckee, Carson, and Walker Rivers . . . . . 56

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“ . . . recognition, for example, by the water users

- 
- along the Sacramento River that their water rights were not adequate to take care of all of their needs during every kind of a water year that might exist. . . . At that time there was also a potential dispute between the Bureau of Reclamation and the water users as the Bureau viewed those diversions as having interfered with releases of water from Shasta Dam . . .” . . . . . 57
- “ . . . there were the two problems. There was the problem of potential litigation from the Bureau of Reclamation . . . because the Bureau felt that they were tapping into . . . water released from Shasta . . . And the second thing was, a recognition . . . of those water users that the natural flow was not adequate to take care of all of the expanded irrigation use in the Sacramento Valley. . . .” . . . . . 59
- “ . . . reach a settlement with the Bureau of Reclamation . . . that had two elements in it. One of them was a recognition of the prior rights of those people along the Sacramento River, and two, a supplemental contract to use Central Valley Project water to *augment* their supply so they would have a full supply. . . .” . . . . . 59
- “ . . . those agreements represented what we called a water rights settlement and a supplemental water supply contract, which have been a great thing for the valley and for the Bureau in my judgement, because it resolved all of those issues that could have gone on to litigation for years and years . . .” . . . . . 60
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“... one of the problems before New Melones was  
built was that the quality of water in the  
lower San Joaquin River deteriorated very  
badly in the summertime and in the fall. ...”  
..... 66

“Early on, there was a conflict between the Bureau  
and the Corps on who would build dams and  
reservoirs in California. And it was  
interesting the way it was worked out. It  
was worked out under the so-called Truman  
Formula ... future reservoirs that would be  
built by the federal government in California  
... those reservoirs that were appropriate for  
the Corps to construct, the Corps would  
construct, but once they were constructed,  
the operation and marketing of the water  
would be turned over to the Bureau of  
Reclamation. “ ..... 67

“... the policy worked out very well because it  
eliminated the competition. California  
wanted both agencies to be in the picture  
because politically it recognized that you  
could get more water projects built if you  
had both organizations than if you had just  
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“. . .when that happened I said, ‘Governor, I’ve been in the job almost seven years. I’ve had enough.’ . . . ‘Okay, I’ll appoint you to the State Personnel Board,’ which was a plum appointment. It was a ten-year appointment occupying one-third time . . .which allowed me to resume my consulting . . . I served on until he asked me to come back to Washington, and then I had to resign to go to Washington. . . .” . . . . .	77
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“. . . under the Burns-Porter Act, Bill Warne, the director of water resources, had the authority to authorize that facility as the Delta facility, which Bill Warne did. . . . This would have been in 1966. . . . When I came in we fully



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supported the Peripheral Canal . . .” . . . . 83

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theoretically had all of the Corps’ civil  
works under me, I found that the Corps  
really acted as staff to individual members  
of Congress. . . .” . . . . . 96

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State Water Project, but it’s not enough to  
take care of its pumping requirements, as  
opposed to the Bureau’s projects which have  
maybe an excess of power over what their  
pumping needs are. . . .” . . . . . 99

“ . . . what we tried to do . . . was to work the  
contracts so that the state facilities would be  
operated on a peaking basis so that we  
would get the highest value that we could  
for the power we had to market. And then . .  
. We would try to pump on off-peak by  
buying excess capacity that the utilities had  
so that we could get the pumping costs  
down as low as possible. . . .” . . . . . 100

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In “. . . a report in ‘73 for the secretary of interior, I said I thought that the Bureau rates ought to be raised, because it’s not paying it’s way. . . .” . . . . . 103

“The state project was entirely different. It was funded by a bond issue, basically, with some augmentation . . . The way the state project was designed and was committed in the Burns-Porter Act was that the water project beneficiaries would pay for all of the costs of the project so that it would not be a burden on the general taxpayer, unlike the federal project. . . .” . . . . . 104

“In order to guarantee its integrity, the state entered into contracts with thirty-one water supply contractors throughout the state who had to pay the reimbursable costs of the project whether they got any water or not. So that made the rules of the game much tougher for a state water project than any federal project. . . .” . . . . . 104

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“. . . by and large, the cost of water for the people who use it has got to be paid for by those

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users, and the cost for agricultural water in the Valley, for example, started out to be at least two or three times what the Bureau was charging. . . .” . . . . . 106

“It was [i.e., cost] three or four times, at least, as much from the state project for agriculture [water] as it was from the federal project. . . .” . . . . . 109

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“I went to interview with John Marsh, who I didn’t know at all. I didn’t know him, but remember, I knew Cap Weinberger, who was Secretary of Defense. And before I finished the interview with John Marsh a call came down to his office from Weinberger saying, ‘Have Bill stop up here before he leaves the building.’ So I went up there and interviewed with him. . . .” . . . 112

“. . . it was clear to me that the White House would rather have me in the Army position than Interior . . .” . . . . . 112

“. . . it [Corps of Engineers] had a budget about three times the Interior budget. It was nationwide in its scope. It had these other things that were very sensitive: the Panama Canal and Arlington Cemetery who were important issues to them. . . .” . . . . . 112

“. . . I’ve always felt is that engineers are too damned technical, and they get all tied up in the technical issue, and that is not what

- determines what happens in life today. And somehow or other the engineers have got to broaden their interests, their perspective, their influence, to other areas. And those other areas are the public area and the political area. . . .” . . . . . 114
- “I’m running a district now. I got elected president of a local district here. We’re putting together a reclaimed water project, which we’re going to be dedicating next month, to irrigate all of the golf courses in the area. . . .” . . . . . 116
- “. . . if I’ve had anything that opened doors for me, it’s been my ability to take the engineering result and to communicate it and relate it to the public sector and to the legislature and to the Congress. . . .” . . . . . 116
- “. . . I have some strong views on that, and I don’t consider myself to be an anti-environmentalist. On the other hand, I’ll sit up and argue with them anytime when they try to tell me that the water projects have been bad for the environment. I don’t buy that at all. And I’ll argue with any of them right down to the wire on that issue because I don’t believe it. . . .” . . . . . 117
- “. . . I’ve tried to aspire to . . . benefits I’ve tried to reflect are those which I feel are in the public interests . . . I don’t apologize for any of the things I’ve advocated or any positions I’ve taken because I’ve tried to take them on the basis that I feel it’s in the public interest overall . . . And what I feel right now is the vocal minority are having too damned much influence on our national policies or state policies which are acting against what I call

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the overall public good—the average guy. . .  
.” . . . . . 117

“It infuriates me that southern California doesn’t  
muster its political support to change the  
Endangered Species Act so it doesn’t screw  
up the State Water Project. . . .” . . . . . 118

“ . . . I’m very frustrated with what’s happening in  
what I perceive to be the water community  
and the ability of the state to meet its water  
needs. And my perception is that the large  
amount of public good that has been done  
by water projects, or that *can* be done by  
water projects, is out of perspective in terms  
of some of the environmental issues . . . ”  
. . . . . 119

“I can’t see why a Delta Smelt that nobody ever  
heard of until about three years ago—it’s in  
the Sacramento-San Joaquin Delta—ought to  
be controlling whether or not the state and  
the federal pumping plants operate to protect  
eighty percent of the population of the state.  
That doesn’t make any sense to me. . . .”  
. . . . . 119

Received an Award from Commissioner Gil Stamm  
. . . . . 121

“ . . . there are very few people that have had the  
opportunities to have the exposures that I’ve  
had, going back to Goodwin Knight’s water  
committee. You know, that goes back a  
long way. And I’m not going to be around  
forever, and I would like to have the record  
show, however it can be shown, what  
happened in those days. . . .” . . . . . 122

Member of the Western States Water Council . 124

“ . . . the Western States Water Council was  
organized . . . back in the early ‘60s. It’s

primary purpose was to allow the western states to express their views collectively on various water matters which were coming before the Congress and which involved certain policy considerations. It was to try to get them to act, wherever possible, in one voice so that they would be a more effective entity in dealing with the West's water problems. . . ." . . . . . 125

Negotiation Between California and Nevada of Compacts on the Truckee, Carson, and Walker Rivers . . . . . 126

“ . . . those things came to a head during the Reagan-Laxalt years . . . trying to figure out a way to allocate water between the two states that was fair and equitable. And the big hot issue, of course, was the Tahoe Basin, and others were the Carson and the Walker Basins . . . ” . . . . . 126

“ . . . the basic objective . . . to the compact was to try and take a limited water supply from those various streams and somehow or other to allocate them in a fair way to the two states so they can go ahead with future development. . . . ” . . . . . 127

In the Western States Water Council “it was my experience, right off the bat, that California was so far advanced from the other states in terms of what it had done to solve its own problems . . . ” . . . . . 130

“ . . . the State Water Project is unbelievable to some of those other states, and it created an interesting situation because, I think, the other states looked to California, then, for experience in terms of some of the things that they wanted to do. . . . ” . . . . . 131

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Visited Oklahoma Several Times to Tell Them How  
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“ . . . the Congress . . . relieved the Bureau of  
collecting the interest component for  
irrigation. The state couldn’t. It had to  
include it. So that probably made a  
difference of about fifty percent of the cost. .  
. . . nevertheless, we still felt that the Bureau  
needed to take a look at . . . its policies with  
respect to ability to pay with the idea of  
perhaps changing its policy to recover more  
from the water users so it would help pay  
the costs of O&M and perhaps return some  
of the capital investments in these projects. .  
. . .” . . . . . 135

High Value Crops . . . . . 136

“ . . . you have to be careful when you deal with this  
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dollars [for an acre foot of water] is  
expensive or it’s cheap. You almost have to  
relate it to the kind of crops . . .” . . . . . 137

“ . . . I don’t care for the view . . . you can solve  
California’s water problems by raising the  
price so that people will irrigate more  
efficiently and so forth because what that  
does is the first people that are going to fall  
off the vine are the ‘cow county’ economy  
in the northern part of the state . . . because  
the value of the crops are not very high  
there. . . . But nevertheless, it’s important

that you have a ‘cow county’ economy, in my judgement, to balance the state’s overall economy. . . .” . . . . . 140

At the Corps of Engineers Was Responsible for Arlington Cemetery and the Soldiers’ Home . . . . . 142

“ . . . I would guess I probably spent two-thirds of my time on Corps activity and maybe about a fourth or so on Panama Canal Commission and the rest on Arlington Cemetery. . . .” . . . . . 142

“ . . . Arlington Cemetery and Soldiers’ Home were the only two cemeteries that are under the Department of the Army. . . .” . . . . . 143

Arlington Cemetery Activities Reported Directly to the Secretary of the Army . . . . . 144

“One of the big things I got involved with was the eligibility for burial in Arlington Cemetery, which was a very hot issue. . . .” . . . . . 144

“ . . . the other thing that was really interesting was the identification of a Vietnam Unknown. . . . So we went through a long, laborious process of trying to find an eligible candidate for burial there, which took two or three years. Some opposition, particularly from the MIA group . . .” . . . . . 145

“There is room. . . until . . . 2020, for land burials. But what we’ve done is to provide columbariums there, and that’s taken a lot of pressure off because there’s plenty of space in the columbariums . . . They’ve acquired some additional land so there’s some opportunity there. . . .” . . . . . 146

“I had very little to do with Soldiers’ Home. I went up there a number of times, . . . and I think our budget handled them for the Army. . . .” . . . . . 146



and it was something I detected people were very protective of, particularly the Congress, of the Soldiers' Home. . . ." . . . . . 147

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" . . . the Corps of Engineers provided certain staff service to the commission in terms of their dredging responsibilities. We had a lot of trouble, always keeping the canal open, in terms of slides and siltation, so we used the Corps' expertise a lot in connection with the commission responsibilities. . . ." . . . . . 155

Headed a Task Force for Regulatory Reform of the 404 Permit Process That Included the Bureau of Reclamation . . . . . 156

Did away with the Water Resources Council that "We felt in the administration it was a superfluous agency. . . . we were able to abolish that group that had been in effect for several years, but which we felt hadn't done anything and largely became a depository for reports . . ." . . . . . 157

"One of the things that I was *not* successful on . . . I wanted to establish for the Corps certain guidelines in terms of authorization of projects and who would pay how much, for example, on different parts of a project, and their authorizations. I wanted a formula, for

example, where it was dictated what M&I would pay, what agriculture would pay, what flood control would pay, and all those sort of things. . . .” . . . . . 158

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When He Left as Assistant Secretary after Four Years the Reagan Administration Supported Legislation That Permitted Him to Remain as Chairman of the Panama Canal Commission for Another Four Years . . . 167

The San Luis Unit of the Central Valley Project and the State Water Project, Formerly Known as the Feather River Project . . . . . 169

“ . . it was apparent to the state that it needed some off-stream reservoir capacity to make the system work. And so that’s when the idea came along to have the state and the federal government join hands, and to build the San Luis [Dam and Reservoir] to a much larger capacity than the Bureau had originally envisioned building it. . . .” . . . . . 169

“So an agreement was entered into between the Bureau and the state, which allowed it to be built as a joint federal-state facility, and the

- 
- state would own and pay for fifty-five percent of it and the Bureau, forty-five percent. . . .” . . . . . 170
- “They can trade capacity . . . having the system interconnected the way it is so the Bureau can pump into it. The state can pump into it through independent canals. The state has a large canal, 10,000 cfs capacity, which is from the Delta. The Bureau is limited to it’s Delta-Mendota capacity, which I think is 5,000 or maybe 6,000 [cfs] now. . . .” . . 171
- “. . . there are times when there’s surplus water in the Delta you can use the full state capacity of the pumps to pump water in there for both projects and have it available in San Luis. And I think that’s going to be even more valuable as restraints are put on the pumping operations in the Delta . . .” . . . . . 171
- “. . . it allows you to have two million acre-feet of storage available to both projects that can be put there from surplus flows in the Delta or winter high flood flows . . . So if you didn’t have San Luis, the Bureau and the state would be severely restricted in terms of supplying their customers during the dry season of the year . . .” . . . . . 172
- “The Delta-Mendota Canal is at a lower elevation than the State’s canal. So what happens is, the water has to be pumped from the Delta-Mendota Canal into the forebay, and then the forebay into the big reservoir. The State’s system is a higher elevation, so it comes directly from the delta pumping plant into the forebay, and then it’s pumped into San Luis. So each system gets the water into San Luis Reservoir in a different way. .

..” ..... 173

“... the general pattern, if you had your druthers, would be to pump into San Luis at the off-peak hours, at night when power is cheap, and then let it out into the forebay during the daylight hours when you have peaking power requirements, and the value of power is high. So it works out pretty well from an economic standpoint...” ..... 174

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“Now what each one of them does with that water is not a function of who puts water in there or how it’s put in there. It’s how it’s used out of there. And each agency doesn’t have any control over the other, in terms of how the other agency uses its water. It’s used under the formula of which water is theirs...” ..... 176

“... the state supply, then, goes into the state canal, and it goes down eventually to Kern County and southern California...” ..... 176

“... the Bureau’s water largely is served to the Westlands Water District [and to the San Felipe Project to the coastal areas]. I think part of it now can be used to meet the exchange contract obligations, too...” ..... 176

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“... there was this conflict that existed ... I think the state engineer was wanting to be sure that the Central Valley Project would serve

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those areas which the state had in mind  
when it originally planned the Central  
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Working on New Melones Reimbursibility and  
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“So we had . . . a very close—both professional and  
personal—relationship, and I was very fond  
of Bizz. . . .” . . . . . 184

Bizz Johnson and the Central Arizona Project . 185

“So Bizz . . . McFall was too . . . became frustrated  
at their inability to get California projects  
authorized because of the stalemate on the  
Central Arizona Project, and those Arizona  
legislators in particular held up the  
legislation on these projects in California. . .  
.” . . . . 186

“. . . the Central Arizona Project . . . limited the  
southern California diversions to 4.4 million  
acre-feet . . . California had been diverting  
far in excess of that. So I think southern  
California viewed the Central Arizona  
Project legislation . . . as a threat to the  
water which they historically had received  
from the Colorado River and would receive  
in the future. . . . we were able to put it  
through by virtue of, I’d say, the California  
delegation working with the [Governor  
Ronald] Reagan Administration. One of the  
greatest compliments I got from Reagan was  
. . . to credit my role. . . I was looked upon

with great suspicion by some of the people in southern California as playing a major role in getting the Reagan Administration to buy into what the delegation felt they needed in order to get the California projects underway. . . .” . . . . . 187

“ . . . my view was, that it was more important to settle the stalemate so that we could get some other California projects underway than it was to hang tough and hold out for more water for southern California. . . .” . . . . . 189

Senator Carl Hayden “was ninety years old when he passed away, I think. And his last year or two there was a question about how much he knew about what was going on, but he had some able assistants on his behalf, and when it was necessary, he voted the right way. . . .” . . . . . 190

California Projects and Continuing Appropriations Held up Pending Approval of the Central Arizona Project . . . . . 191

“The Central Valley congressmen felt that it was thwarting their efforts to carry forth some of the programs they felt were important. . . .” . . . . . 191

“ . . . during the Truman Administration, there was this conflict between the Corps and the Bureau—who would build what? . . .the way it was resolved was that the Corps would build certain projects, but turn them over to the Bureau, and Folsom was one of those, and New Melones was another one . . . I think that satisfied both of them, by and large . . .” . . . . . 192

“The delegation both in the Senate and the House

---

were great on water issues. . . . Those men  
were all pretty well lock-step in terms of the  
water issues. . . .” . . . . . 194

“ . . . from a water standpoint we had leadership that  
I don’t think has existed in the water area  
since we lost those people. . . .” . . . . . 194

Gene (Eugene) Chappie . . . . . 196

Why He Supported Bizz Johnson in His Race  
Against Gene Chappie . . . . . 198

“I’ve never considered myself a political animal in  
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more as a professional who has got involved  
with the political process—not through my  
own choice, but through the way things have  
worked out. . . .” . . . . . 199

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Involvement with Ralph Brody and Governor Pat  
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Burns-Porter Act and the State Water Project . . 202

“ . . . there was this problem between Harvey Banks  
and Ralph Brody. . . . neither one of them . .  
. [could] in all honesty, trust each other to be  
out in front, they both leaned on me to be  
the person who would work with the  
legislature and do the major testifying on the  
Burns-Porter Act. . . . So I had . . . the  
confidence of both of them that I was not  
politically motivated” . . . . . 202

“ . . . we lost the district engineer in southern  
California—Max Bookman resigned. He  
quit. So Harvey said, ‘ . . . I want you to go

down there as district engineer.’ So I said,  
‘Well, I’ll try it for a while.’ Well, I did, I  
went down there for six months, tried the  
job. Then I said, ‘I don’t think I want to live  
down here.’ So I quit and went into private  
practice . . .” . . . . . 203

“I had good clients. I had San Joaquin County. I  
had almost all of the Sacramento River  
water users. I did work for East Bay  
[Municipal Utility District]. I got involved  
in litigation on the Santa Ana River between  
Riverside and San Bernardino and Orange  
County. So I was really up to my ears in  
water. . . .” . . . . . 204

Bill Warne Planned to Leave as Director of the  
Department of Water Resources If Ronald  
Reagan Was Elected Governor, and Reagan  
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“. . . Reagan said, ‘I’m going to appoint a northern  
California water engineer to finish the State  
Water Project, which I think is in trouble.’ . .  
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California’s Director of Water Resources  
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Worked on Passage of the Central Arizona Project  
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California’s National Politicians . . . . . 208

Senator Alan Cranston . . . . . 209

“. . . to me a water legislator is one that’s extremely  
interested in the water problems in the state  
and has been very deeply involved with  
water projects that have been for the benefit  
of the state, both north and south . . .” . . 211

Dos Rios Project on the Eel River Originated as a  
Corps of Engineers Flood Control Project



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..... 212

“I was more concerned, for example, with the Peripheral Canal for a Delta facility than I was *that*. And the reason for it was that I felt that if we could get a Delta facility, that would do more toward meeting the water supply commitments, and would be more important in terms of the Bureau and water projects generally than a project on the North Coast. . . .” ..... 213

“ . . . the state became a major player, in the Dos Rios Project because we would be the recipient of some of the water, and I would enter into a contract with the Corps of Engineers under the Water Supply Act, to enter into a long-term commitment to take the water from that project and pay it out over a long period of time. . . .” ..... 214

“ . . . opposition to flooding Round Valley appeared . . . a lot of it from the Indian reservations up there that would be flooded around the area around Covelo. . . . and some of the large agricultural interests. . . .” ..... 216

“We started again a series of studies that looked at other alternatives to Dos Rios. And one of the alternatives that we looked at was, of course, the English Ridge Project, which was being studied by the Bureau of Reclamation. . . .” ..... 217

“ . . . the Dos Rios Project was the forerunner for the wild and scenic rivers system, which was enacted first at the state level and then at the national level. So at the present time, nothing is proposed on the North Coast. . . .” ..... 217

“ . . . I was able to . . . get a provision in there

[California’s Wild and Scenic Rivers Act] that it would be restudied after a thirteen-year period to see whether the prohibition against development up there should continue. . . .” . . . . . 218

Interviewed by Ted Simon for his book *The River Stops Here: How one Man’s Battle to Save His Valley Changed the Fate of California*, (New York City: Random House, 1994.) . . . . . 218

“. . . I was chagrined to find out that it was solely on Dos Rios, that he quoted me extensively, pointing out the disputes that took place on Dos Rios, and basically depicted me and the Corps and . . . the Bureau, . . . as the bad guys in trying to construct projects up there and build them to the detriment of the environment . . .” . . . . . 219

“As I remember in the interview, I only touched on that. But if I had known that he was going to write a book specifically on that, I would have provided much more background than the book illustrates with respect to the history of that controversy and the history of that project up there, which I felt was not completely represented fairly in the book . . .” . . . . . 220

“. . . it also is kind of the inference that the water people are always the ‘bad guys,’ and the people that save the trees and keep dams from being built are the ‘good guys.’ . . .” . . . . . 221

“. . . I sort of resent being placed in the posture of being a ‘bad guy,’ because in effect I’ve been identified with water projects in California throughout my entire career, and

- 
- I'm proud of that. I don't make any apologies for it at all. . . ." . . . . . 221
- "The State Water Project was passed by the narrowest of margins. A lot of opposition, particularly in the [San Francisco] Bay Area and northern California, still exists, and I don't have any apologies for that project. . . . because I think it's been good . . ." . . . . 222
- ". . . I hope someday that somebody will write a book which puts water development in its proper context. . . ." . . . . . 223
- ". . . the state sort of operates like a big pendulum. It seems to go from one extreme to the other. And I now view us in what I call an environmental mode, which to me has gone much too far. . . ." . . . . . 224
- Concerns about the Endangered Species Act and its Effects on State and Federal Water Projects . . . . . 224
- ". . . we may have leaders in the Congress and the legislature on other issues, but we don't have them on water. . . . I think the explanation is that water projects have become unpopular, dams are hard to come by, there is not the political mileage to be gained by anybody being for a water project now, whether it's good for the people or not . . ." . . . . . 226
- ". . . if I were a politician I'd look at the water issue, if I were interested in a new water project, as being kind of a negative thing for me, and therefore I'd better ride some other horse rather than a water horse. . . ." . . . . . 226
- ". . . we've built all of the major water projects basically. There are only a few things left to do in terms of water development, so there's
-

not the political mileage to be gained now  
that there was back twenty or twenty-five  
years ago. . . .” . . . . . 227

Expresses Concern about the Undue Influence of  
Minority Opinions and Laws and  
Administrative Practices at the State and  
Federal Levels Which Makes Development  
of Water Projects Very Difficult . . . . . 228

“ . . . the vocal minority, which seems to me has had  
an undue influence on our legislative  
process and our legislators. . . .” . . . . . 230

“ . . . I feel bad about the Bureau right now. I feel  
that I probably associate more with some of  
their career people than some of the new  
people that are around. And I appreciate all  
the good things they’ve done. They’ve done  
a lot of good things in California in  
particular. . . .” . . . . . 232

“If they hadn’t built the CVP, it never would have  
been built. The state couldn’t do it. And it  
was designed primarily to supplement  
agriculture, although it’s got a little M&I  
now, probably more as time goes on. . . .”  
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**STATEMENT OF DONATION  
OF ORAL HISTORY INTERVIEW OF**  
WILLIAM R. GIANELLI

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, William R. Gianelli, (hereinafter referred to as "the Donor"), of 973 Pioneer Rd, Pebble Beach, CA 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 July 28, 1994, at Pebble Beach, 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.
2. Title to the Donated Materials remains with the Donor until acceptance of the Donated Materials by the Archivist of the United States. The Archivist shall accept by signing below.
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**Oral history of William (Bill) R. Gianelli**

Date: 7/28/94

Signed: William R. Howell  
DONOR'S NAME

INTERVIEWER: [Signature]

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Signed: \_\_\_\_\_  
Archivist of the United States

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

WILLIAM R. GIANELLI

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**Oral history of William (Bill) R. Gianelli**

Date: 9/23/94

Signed: William R. Giannelli  
DONOR'S NAME

INTERVIEWER: Boye F. DAWSON

Having determined that the materials donated above by \_\_\_\_\_ are appropriate for preservation as evidence of the United States Government's organization, functions, policies, decisions, procedures, and transactions, and considering it to be in the public interest to accept these materials for deposit with the National Archives and Records Administration, I accept this gift on behalf of the United States of America, subject to the terms, conditions, and restrictions set forth in the above instrument.

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Archivist of the United States



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

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### Interviewers' Introduction

William Reynolds Gianelli was born in Stockton, California in 1919. He attended Stockton schools through high school and holds a Bachelor of Science Degree in Civil Engineering from the University of California (Berkeley).

Following service in the U. S. Army Corps of Engineers during World War Two, Gianelli found employment with the State Engineer's Office of the California Department of Public Works. His early assignments included Watermaster and Snow Surveyor, summer and winter respectively. He rose to the position of Principal Engineer, the highest civil service grade in his specialty, where he played a major role in developing what became the State Water Project.

After nearly a decade of success as a private consultant, Gianelli returned to state service when Governor Ronald Reagan appointed him to the position of Director of Water Resources. In that position Gianelli oversaw the building of the State Water Project's major facilities. He was also a prime target of environmental organizations and no-growth groups in their efforts to forestall further development of California's water resources for either agricultural or urban applications.

The election of Ronald Reagan to the Presidency of the United States brought an invitation for Gianelli to rejoin the Corps of Engineers, in a manner of speaking, as Assistant Secretary of the Army for Civil Works, a position he held for President Reagan's first term. Somewhat unexpected, although satisfying and rewarding, collateral duties included oversight of Arlington National Cemetery and the Soldiers' Home in the Washington area and

membership on the Panama Canal Commission. Gianelli served eight years as the Canal Commission's Chairman.

Of lesser notoriety perhaps, Gianelli has also served as a member and Chairman of the California State Personnel Board and also on the Board of the California Public Employees Retirement System (PERS). These appointments came, again, by Reagan in spite of Gianelli's nearly life-long registration as a Democrat. He has also consulted with the Bureau of Reclamation on studies having to do with the Columbia Basin and the Central Valley Project.

George Petershagen and Donald Seney, Bureau of Reclamation historians, interviewed Gianelli at his home in Pebble Beach, California, on July 28 and September 23, 1994, totaling nearly six hours of recorded conversation. Barbara Heginbottom Jardee transcribed the interview, and Petershagen accomplished the editing and indexing. Other oral history interviews of Bill Gianelli have been conducted by Martin Rosen of the Corps of Engineers and Malca Chall of the Regional Oral History Office of the University of California for the State Government Oral History Program of the California State Archives.

## Oral History Interviews William R. Gianelli

Petershagen: This is George Petershagen conducting an interview of William R. Gianelli with Donald Seney on behalf of the Bureau of Reclamation. Mr. Gianelli is probably best-known as former Director of the [California] State Department of Water Resources, but has also had a lengthy career as a consultant in association with California water issues. Today's date is July 28, 1994, and this is Tape 1, Side A. We're in the Gianelli residence in Pebble Beach.

Bill, before we start with real questions, I would like you to acknowledge for the purpose of the tape just that you understand we are tape recording this.

Gianelli: I understand.

Petershagen: And that this interview becomes a gift from you to the government of the United States and becomes United States property.

Gianelli: Yes, I understand that.

Petershagen: Thank you very much. And then we'll start with the earliest event in your life. Where and when were you born, please?

### **Born and Raised in Stockton, California**

Gianelli: Well, I was born in Stockton, California, in

1919.

Petershagen: And you went to Stockton schools? You were raised in Stockton?

**Went to the University of California to Study Civil Engineering with “the irrigation option specialty”**

Gianelli: Yes, I was raised in Stockton, went all through Stockton grammar school and high school. Then I went to the University of California where I got a B.S. [Bachelor of Science] degree in 1941 in Civil Engineering with the irrigation option specialty.

Petershagen: And why irrigation? Why not transportation or some other studies?

**“ . . . I was always interested in agriculture . . . ”**

Gianelli: Well, I was always interested in agriculture, coming from Stockton, and during my early college years I stayed out six months and worked with an organization within the federal government that made estimates of crops that were being grown. It was a program of the Department of Agriculture at that time. But my guess, because Stockton was sort of an agricultural community I was particularly interested in irrigation, I think, and that’s why I took that course.

Petershagen: I see. Then what did you pursue right out of college?

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### **Called to Active Duty in the Corps of Engineers in July 1941**

Gianelli: Well, I graduated from college, the university, in May of 1941, and I had a reserve commission in the Corps of Engineers.

**“ . . . went overseas the end of December 1941, landed in Hawaii in January of 1942. Following that I spent almost the next four years in various islands across the Pacific as the United States was moving in their campaign against the Japanese. I served in Hawaii, served in Saipan, served in Okinawa, and also was involved with the occupation of the U.S. troops in Korea, right after the close of the war. . . . ”**

This was just before the beginning of World War II, and I was called to active duty in July of 1941, and went into the service and went overseas the end of December 1941, landed in Hawaii in January of 1942. Following that I spent almost the next four years in various islands across the Pacific as the United States was moving in their campaign against the Japanese. I served in Hawaii, served in Saipan, served in Okinawa, and also was involved with the occupation of the U.S. troops in Korea, right after the close of the war.

**“ . . . involved with the construction of airfields, water supply facilities, and other public works projects. When the war ended I was discharged from the Army in the spring of 1946. . . . ”**

During that period with the Corps, we were involved with the construction of airfields, water supply facilities, and other public works projects. When the war ended I was discharged from the Army in the spring of 1946.

Petershagen: Behind you on the wall I see a shadow box with a number of medals mounted in it, and it looks like a Purple Heart? Do I see that?

### **Received the Purple Heart in Saipan**

Gianelli: Yes, Purple Heart. I got a Purple Heart in Saipan for a little encounter I had with the Japanese there.

Petershagen: I understand. Would you care to expand on that a little bit—what the encounter was?

Gianelli: Well, it was sort of interesting. We went in, two or three days after the initial attack on Saipan, and one of the jobs—I was attached to an engineer construction group— and one of our jobs was to locate some sort of a communication antenna on top of, I think it was, Mount Topotchau, one of the highest peaks on Saipan. I went up there with a small group to check out the location of that installation, and we ran into some Chamorro women. These were the local native women who were scattered around as a result of the occupation. We then tried to bring them into the camp where a lot of the other Chamorros were being kept for protection.



As we were pursuing them, they ran into a cave. Lo and behold, the cave was occupied by a number of Japanese soldiers, so we had a little firefight at that time, and it was at that time I had a slight wound as a result of that encounter. So we went back and gathered some more forces. This was at a time when the officers—I guess I was a Captain at that time—were carrying carbines. They were small guns. And so I went back and traded that in for an automatic rifle, which I felt a little more secure with. (Laughter) But at any rate, that was the encounter that earned me a Purple Heart.

**“ . . . I spent . . . one month short of four years continuously overseas without getting back to the United States during all of that period. But it was a very interesting period, and I enjoyed the work that I was doing. . . . ”**

But one of the things that was kind of interesting was, I spent, I think, one month short of four years continuously overseas without getting back to the United States during all of that period. But it was a very interesting period, and I enjoyed the work that I was doing. We did a lot of construction following the occupation of these various installations including a lot of great engineering work.

Petershagen: And when were you released from active duty?

**“I actually got home . . . about Thanksgiving of**

**1945, but I had so much accrued sick leave and vacation that I think my actual discharge papers were dated maybe in March of 1946. . . .”**

Gianelli: Oh, let’s see. I actually got home, as I recall, about Thanksgiving of 1945, but I had so much accrued sick leave and vacation that I think my actual discharge papers were dated maybe in March of 1946.

### **Went to Work for the State of California**

In the meantime I’d secured a job and went to work for the state prior to that time.

Petershagen: I see. And you received a discharge? You didn’t continue in the reserves?

### **Resigned His Commission in the Reserves**

Gianelli: Well, I first stayed in the reserves, and I subsequently resigned my commission because they were putting additional pressure for attending classes and putting in time. At that time I was raising a young family, and I wanted to stay in Sacramento so I thought it best for me to resign my commission, which I eventually did.

Petershagen: Alright, and then what was your first job?

### **Worked at the Division of Water Resources, State Engineer’s Office**

Gianelli: My first job was . . . Having gotten a degree in civil engineering and irrigation, I was

attracted to the State Engineer's Office in the Division of Water Resources in Sacramento. And so right after I got home, I was interviewed by one of the top engineers in the Division of Water Resources and the State Engineer's Office, which were part of the State Department of Public Works. And so I was pretty well hired right on the spot. I was the first engineer to be hired by the Division of Water Resources of the State Engineer *after* World War II.

**“ . . . I went to work in about February, even before my final discharge papers came through from the Army. . . . ”**

I signed up for them in December of '45, and then I went to work in about February, even before my final discharge papers came through from the Army.

### **Worked as Assistant State Snow Surveyor**

My first assignment—I had two assignments with the state engineer—one of them was to act as assistant state snow surveyor. The state snow surveyor was the fellow that went up and made snow measurements, or arranged for it, and made predictions in terms of runoff of the various streams of the state. And we would put out snow survey bulletins periodically during the spring months, forecasting the runoff of the various streams throughout the state.

**“ . . . I was assigned to distribute water in the**

**Susanville area under a court decree distributing the waters of the Susan River. . . .”**

So I did that in the winter months until the spring, and then when April came along I was assigned to distribute water in the Susanville area under a court decree distributing the waters of the Susan River. So for the first two years I acted as an Assistant Snow Surveyor in the winter and early spring months. Then in the summer months I distributed water under a court decree as a watermaster in the Susan River area up near Susanville.

Petershagen: If I could just interrupt now your water career just for one thought. As you look back on it, do you look at that military service as time that was lost out of your life? A number of people have suggested to me, young professionals in the early '40s such as yourself, that they felt like they had to make up for five years they had lost because of the Second World War.

**Enjoyed the Work While in the Corps of Engineers**

Gianelli: No, I didn't feel that way. In fact, being part of the Corps of Engineers and being in a construction organization all the time during the war, I felt that it was very beneficial to me. I was single at that time. I had no ties back home, and I really enjoyed the work that we were doing in the various islands. I didn't enjoy, for example, the hospitality or the accommodations—they were pretty

meager—in all those islands across the Pacific. But I did enjoy the work, so I viewed it as a very interesting part of my life and, in retrospect, I don't think if I had the opportunity I'd give it up. I would do it again, given the conditions that existed at that time. I enjoyed my military career, and I think it actually helped me for my future planning in terms of what I would eventually do.

Petershagen: I see. And just one more point along that line. Was there any sort of frustration at, "Gee, I'm in the wrong profession here," working as a civil engineer in construction of facilities, that kind of thing, as opposed to your irrigation specialty?

Gianelli: No. I recognized that it wasn't directly tied into irrigation, but, for example, we built the water supply facilities for the town of Garapan on Saipan. So it involved a little bit in the water area, so I had some knowledge and experience there. The only frustration I felt was that I was a little irritated that they kept me overseas for almost four years without getting home. That was my big irritation, I guess, if I had any in that regard.

Petershagen: I see. Then you were married shortly after .  
..

### **Married in February of 1947**

Gianelli: Well, let's see. The first year with the state

I was single. The first year I was watermaster I was single, so I was married in February of 1947, which was about a year after I went to work for the State Engineer's Office.

Petershagen: And it was as a Watermaster that you were involved in distributing the Susan River waters?

### **Also Worked on River Adjudications and as Watermaster on the Carson and Feather Rivers**

Gianelli: Of the waters under the court decree of the Susan River, yes, right. And during that period there were also other adjudications pending. There was one down on the Carson River, and I used to go down there. And there was one over on one of the branches of the Feather River, and I got involved with that. So basically that part of my assignment was really to pursue distribution of water under court decrees, or, for example, in working out adjudications where the court made an allocation of water between the various water users.

Petershagen: Interesting to look back on it. It's a big part of California history. I don't know how exciting it might have been as you were living through it, but . . .

### **Incidents with Water Users While Watermaster in Susanville**

Gianelli: Well, it was *very* exciting. As a matter of

fact, you'd be interested . . . The second year that I went to be watermaster in the Susan River area, I had been married, and our customary practice for a watermaster was to move into the local hotel, which was the Mount Lassen Hotel in Susanville, until I could find a place to live. And I can remember the day that I—I'd only been married about a month—and my wife and I went into the hotel, and there was a big commotion downstairs. And it was an irate water user who'd come into town and gotten a little inebriated, and he was looking for the watermaster! (Laughter) So my wife wondered what she was getting into in connection with the work that I was going to be doing up there in the Susanville area.

**“So I can see going back many, many years, water is a very important thing to the agricultural community. They used to say, ‘You can fool around with my wife, but not my water!’ . . .”**

As a matter of fact on Willow Creek, which was one of the tributaries that I had jurisdiction over, I got shot at one time, at some distance, by one of the irate water users who believed that we were shutting off his water prematurely and was very unhappy about it. So I can see going back many, many years, water is a very important thing to the agricultural community. They used to say, “You can fool around with my wife, but not my water!” (Laughter)

**“. . . water *is* the lifeblood of a lot of people in**

**California . . . in terms of the agricultural area in particular, and it represents their livelihood. Without it, they have none, and with it they've been able to survive and generally do well . . .”**

It's sort of an interesting connotation to be made, but what it connotes to me is that water *is* the lifeblood of a lot of people in California, going back many, many years, in terms of the agricultural area in particular, and it represents their livelihood. Without it, they have none, and with it they've been able to survive and generally do well throughout all of the years.

**Believes His Time as a Watermaster Provided Valuable Experience and Understanding**

So in subsequent years I've always thought that my two years as a watermaster, while it wasn't very technical in terms of the things that you were doing, provided me with a wealth of information on the problems of agriculture, the problems of distributing water, and the problems of dealing with people. And I always felt after that that a young civil engineer who was interested in water would do well to spend a year or two distributing water under a court decree because then you learn, for example, the real elements of what's required as you go ahead in the future and make your plans. And I think that always made a deep impression on me—that is, the problems the farmers have in handling the water that



might be available to them.

**“I learned, for example, that the most important piece of equipment that I should have as a watermaster was a long-handled shovel and a sack of horse manure, which was the best sealant for diversion dams that we could find. . . .**

I learned, for example, that the most important piece of equipment that I should have as a watermaster was a long-handled shovel and a sack of horse manure, which was the best sealant for diversion dams that we could find. (Laughter) These aren't the things that you learn in a textbook, but are practical things that you learn out in the field.

**“So while that assignment wasn't extremely technical, I think it provided me with a background which has always been with me in terms of sensitivity to the problems of irrigated agriculture in California. . . .”**

So while that assignment wasn't extremely technical, I think it provided me with a background which has always been with me in terms of sensitivity to the problems of irrigated agriculture in California.

Petershagen: You mentioned the Willow Creek area. In that vicinity there is the former town of Hayden Hill, a big gold mining area. Was there any mining going on there at the time?

### **Eagle Lake Diversion**

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**Oral history of William (Bill) R. Gianelli**

Gianelli: No, very light. The mining had pretty well stopped. I don't recall any amount of mining. The big project over there that had gone astray was Eagle Lake. I don't know whether you ever looked into the history of it, but Eagle Lake was a natural lake. In the '20s there was a plan developed to draw down that lake by drilling a tunnel and tapping it at a very low elevation. And the theory of the irrigation project—the irrigation district was to be along Willow Creek there and irrigate a lot of lands that hadn't had an adequate water supply—was that you drew down the lake level and what you save by evaporation would be enough water for the district to survive. What happened was they started to draw down the lake by drilling a tunnel, and the tunnel had to surface at a higher elevation in the lake than originally contemplated. And so the project never was successful. But the water supply that came from Eagle Lake was a part of the water supply for Willow Creek, which was a tributary of the Susan River, which was part of the adjudicated area for which I was responsible. So it was interesting to go back into the history of that project and find out why it failed, and it failed because basically the original concept of the project had not been carried out.

Petershagen: Right. I just wanted to clear up this issue—you said you received at least a warning shot while you were up there (Gianelli: Yes.)—as to whether or not that

was an upset farmer or perhaps a miner that thought you were nosing around.

Gianelli: No, this was the upstream diverter on Willow Creek who had a large area of irrigated agriculture for irrigated pasture, and I was down regulating the gate below him of another farmer. They were in a constant feud all of the time between them, and there were lawsuits going on back and forth and lots of disputes. So it's a very, very interesting area.

Petershagen: Interesting! Well, from watermaster, where do we lead then?

### **Transferred into the Water Rights Section of the State Engineer's Office in 1948**

Gianelli: Well, then in, let's see, I guess in 1948 I indicated to the State Engineer that I really wanted to get more involved in the area of water rights, so I was transferred from the watermaster area to the Water Rights Section of the State Engineer's Office, and I started out as an assistant engineer in the Water Rights Section, that had to do with the administration of water rights in California. And during the next—let's see, that was 1948—the next eight years, until they formed the Department of Water Resources [DWR], I worked up through the ranks of that section until I was in charge of the administration of water rights in California, under the State Engineer's Office.

**“ . . . I got very familiar with a lot of the major water projects in California, particularly from the standpoint of the water rights which were necessary for all those projects . . . ”**

Water rights were under the jurisdiction of the State Engineer at that time—the Division of Water Resources. And so it was during that period that I got very familiar with a lot of the major water projects in California, particularly from the standpoint of the water rights which were necessary for all those projects before they could proceed.

Petershagen: I see. And about how many people were in the Water Rights Division.

**Ultimately He Headed the Water Rights and Watermaster Functions of the State Engineer’s Office**

Gianelli: It was a very small section. I would guess we didn’t have a total of more than about twenty people. That section also had as part of it, in my later years in it, the watermaster service of the state, which involved my first assignment. So during the last year or two of my tenure in the Water Rights Section, I also had jurisdiction over both the watermasters and water rights. We must have had, if you include both entities, less than fifty people. The water rights administration probably had about half of that, twenty-five people including field inspectors.

### **During Work in Water Rights He Wrote Decisions for the State Engineer, Held Hearings, and Had a Generally Broad Experience**

Working up through the ranks of that section, I did everything from all of the preliminary processing of water rights to writing decisions for the state engineer on the more controversial projects and actually holding hearings among the parties before a decision was rendered. So I really felt that I had an opportunity to become involved with many of the major projects.

**“ . . . the state engineer, while he was responsible for the administration of water rights, he had many other responsibilities. All of the statewide water planning was done under him as was dam safety, flood control, and other activities. . . . ”**

One of the interesting things was that the state engineer, while he was responsible for the administration of water rights, he had many other responsibilities. All of the statewide water planning was done under him as was dam safety, flood control, and other activities.

### **Until 1956 Spent a Lot of Time Resolving Water Disputes in California**

And so, on behalf of the state engineer at that time—up until 1956 when the division was abolished and the department was created—I spent a lot of time trying to resolve water disputes. For example, I got

deeply involved with some of the controversies resulting from the water right applications that were filed on major projects.

**East Bay Municipal Utility District's Camanche Reservoir on the Mokelumne River**

I was involved very deeply with the East Bay Municipal Utility District application on the Mokelumne River for Camanche Reservoir. And that was the first case in which the East Bay paid to Calaveras and Amador Counties, as counties of origin, \$2 million to resolve their objections to East Bay's being able to go ahead with the Camanche Project.

**The Oroville-Wyandotte Irrigation District's South Fork Feather Project**

I was deeply involved with the South Fork Feather Project of the Oroville-Wyandotte Irrigation District. There was a dispute there with the upper areas.

**Corps of Engineers Project in Sonoma County at Coyote**

I was sent over to Sonoma County on the dispute on the Corps' project over there at Coyote—to work out the problem between the upper county and the lower county.

**Dispute Between San Luis Obispo and Atascadero about the Use of Waters from Salinas**

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## Reservoir

I also was sent down to San Luis Obispo—there was a dispute between San Luis Obispo and Atascadero on whether the upper waters from Salinas Reservoir would be diverted over to San Luis Obispo, or whether they would be diverted downstream for purposes of Atascadero and other users.

**“It was a very interesting period for me, and I . . . got a great chance to be involved. That also was the time when I got involved with the Central Valley Project very deeply in connection with the water rights for this project. . . . a great period of learning. And I’ve always felt that that period of my life stood me well in everything that happened subsequently because it gave me an insight into California generally . . .”**

It was a very interesting period for me, and I really felt that because of the smallness of the office and the assignments from the state engineer that I got a great chance to be involved. That also was the time when I got involved with the Central Valley Project very deeply in connection with the water rights for this project. So it was a great period for me and a great period of learning. And I’ve always felt that that period of my life stood me well in everything that happened subsequently because it gave me an insight into California generally—all of its water problems, and in particular some of the disputes that I worked on.

**“ . . . the late 1940s and early 1950s was when the Bureau of Reclamation was obtaining *its* water rights for the Central Valley Project. . . .”**

During the period of the late 1940s and early 1950s was when the Bureau of Reclamation was obtaining *its* water rights for the Central Valley Project. The water rights for the project had been filed by the State Department of Finance under Section 10500 of the Water Code, which provided for filings to be made in a custodian capacity, you might say, and later on to be disposed of to other agencies who would be building the projects for which these applications were filed.

Petershagen: So when you say, “in a custodian capacity,” somebody else might term [it]<sup>1</sup> almost kind of a “holding pattern”?

### **The California Department of Finance Held, for Various Water Projects, Water Rights Claims That Could Later Be Transferred to a Construction**

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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 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

Gianelli: That's right. It wasn't ever anticipated that the Department of Finance would ever build any projects, but it held these water rights in a status where it made a disposition of them, upon a proper showing, to people who *did* have a legitimate right to go ahead and build a specific project. And of course, the filings that the Department of Finance had made, going back to 1927, were water rights for Shasta Dam, for Folsom, for New Melones, in the Delta, and on other major streams in the state.

**“ . . . as the Bureau proceeded to implement the Central Valley Project it was necessary for them to receive ‘an assignment,’ in other words, the giving of these water rights to the Bureau of Reclamation for the purposes of their project. . . . those original applications were not adequate . . . but they were the base water rights and the early priorities that were given to the Bureau for those projects . . . ”**

And so as the Bureau proceeded to implement the Central Valley Project it was necessary for them to receive “an assignment,” in other words, the giving of these water rights *to* the Bureau of Reclamation for the purposes of their project. Now, as it's turned out, those original applications were not adequate for the whole project as finally designed, but they were the base water rights and the early priorities that were given to the Bureau for

those projects, along with other projects that required them, too. So it was a very interesting period for me.

**“ . . . administration of water rights at that time was handled by a small group. We didn’t get involved with all of the technicalities that the lawyers insist upon now, and the detailed hearings. . . . We weren’t governed by all of the rules which have now been adopted . . . so I really felt we were able to . . . make some good decisions on allowing major projects to go ahead without becoming involved with all of the legal ramifications that seem to be involved these days. . . . ”**

The administration of water rights at that time was handled by a small group. We didn’t get involved with all of the technicalities that the lawyers insist upon now, and the detailed hearings. Our hearings would only last two or three days. We took what evidence there was in the record. We weren’t governed by all of the rules which have now been adopted primarily as a result of the lawyers being involved. And so I really felt we were able to, during that period, make some good decisions on allowing major projects to go ahead without becoming involved with all of the legal ramifications that seem to be involved these days.

Petershagen: Within the office, you must have had a legal staff. You weren’t all engineers.

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### **The State Engineer Had a Small Legal Staff Which Did Not Spend a Lot of Time on Water Rights Issues**

Gianelli: Well, the state engineer had a legal staff of three people. Henry Holsinger was one of them. A fellow by the name of Spencer Burroughs was the original and principal attorney. Henry Holsinger was his assistant. In subsequent years—it's kind of interesting—Henry Holsinger and Gavin Craig were the two primary lawyers that worked for the state engineer in connection with water rights administration. But there were only a few people on the legal staff, and they did everything for the state engineer. So in the administration of water rights, their involvement was not a major occupation of our very small legal staff at that time.

### **In 1956 the State Created the Department of Water Resources and a Separate Water Rights Board**

But everything changed then in 1956 when the Department was created. At the time the Department was created it was split off into the Water Rights Board. At that time it was called the Water Rights Board, a three-man board for the administration of water rights. And then everything else went to the Department, which at that time was contemplated to be the constructor of the State Water Project with major activities.

**“ . . . I theoretically should have gone to the State Water Rights Board as probably its top**

**administrative officer. . . .”**

And it was sort of interesting –this was kind of fascinating–I theoretically should have gone to the State Water Rights Board as probably its top administrative officer.

**Harvey Banks, the State Engineer, Asked Gianelli to Go to the Department with Him to Help Run it**

I was a civil servant. But Harvey Banks had become state engineer prior to the abolishment of the State Engineer’s Office. And Harvey had come up through the water quality function, and in the late nineteen . . . . Let’s see if I can get this straight. [Arthur D. Edmonston] “Bob” Edmonston, who succeeded [Edward Hyatt] Ed Hyatt as state engineer–Ed Hyatt retired in about 1950–Bob Edmonston was assistant under Ed Hyatt, so he became state engineer when Ed Hyatt retired in 1950. And then, as I recall, Bob Edmonston retired in 1953. And Harvey Banks, who was an assistant state engineer at that time, became the Director of the Department of Water Resources. Well, Harvey and I had established a long-standing relationship because he came in through the water quality area, but when water quality and water rights were joined together, then I came under Harvey. He was the assistant state engineer, and I was the prime person on water rights. Well, theoretically, I should have gone with the Water Rights Board, but Harvey and I had developed a good

relationship. When Harvey was appointed Director of Water Resources, from the State Engineer's job—he was appointed by [Governor] Goodwin Knight as Director of Water Resources—Harvey said, “Bill, I'd really like to have you come over and help me run the new Department.”

And so there was a controversy at that time as to whether I would go with the Water Rights Board or the Department. Henry Holsinger, who was the chief counsel for the state engineer, became the chairman of the newly-formed Water Rights Board. Another member, [W. Penn Roe] Penn Roe, was the engineer for the board. He was from San Bernardino County. The third member, John Evans, was from the Bay Area. So there was quite a discussion between the board and Harvey Banks as to where I would go.

**“ . . . the final decision was that I went with Harvey, which was really kind of my preference, because at that time it was an exciting opportunity with the State Water Project just in the process of being formulated. . . . ”**

And the final decision was that I went with Harvey, which was really kind of my preference, because at that time it was an exciting opportunity with the State Water Project just in the process of being formulated. And so that's how I became involved with the Department, and that's how I more or less terminated my activities

with the administration of water rights.

**“ . . . when the Department was formed, the functions of the Department of Finance and the filing of those custodial applications went with the Department of Water Resources. That was one of the things that I continued to do along with the Watermaster service. . . . In addition to acting as Harvey Banks’s assistant . . . ”**

But let me say, when the Department was formed, the functions of the Department of Finance and the filing of those custodial applications went with the Department of Water Resources. That was one of the things that I continued to do along with the Watermaster service. In addition to acting as Harvey Banks’s assistant, I had the watermaster service and the advice or the supervision over the State Department of Finance filings in connection with that activity. And then, of course, I went into a lot of other things.

**“ . . . that got me into the counties of origin disputes because of the work that I’d done with respect to those state filings and the assignment of them. The law provided that you had to reserve water for the counties of origin when you made assignments of those filings for specific projects. . . . ”**

. . .

And that got me into the counties of origin disputes because of the work that I’d done with respect to those state filings and the assignment of them. The law provided

that you had to reserve water for the counties of origin when you made assignments of those filings for specific projects. So I was in the middle of all of those discussions. Maybe I ought to stop and see if you have any further questions during my career in this part of the State Engineer's Office prior to 1956.

Petershagen: Well, just a couple of observations. I think in *today's* environment, as you worked your way through the water rights kinds of things, you as an engineer probably in today's environment would work for a lawyer or certainly there would be you and a lawyer probably on an equal plane, doing all the . . . .

Gianelli: Well, you know, it's interesting . . .

Petershagen: It's interesting to observe . . .

**“When I went out in private practice as a consultant in 1960 most of the reason that I was hired was by virtue of my knowledge on water rights. . . . most of the clients that I developed . . . were through lawyers . . . It was interesting that the engineers played a much more dominant role in the administration of water rights prior to 1956, because of it coming under the state engineer, than they have in subsequent years . . .”**

Gianelli: And here's what happened. When I went out in private practice as a consultant in 1960 most of the reason that I was hired was by virtue of my knowledge on water rights.

I would say most of the clients that I developed when I went into private practice in 1960 were through lawyers, a lot of them through lawyers who had problems with water rights. But you're right. It was interesting that the engineers played a much more dominant role in the administration of water rights prior to 1956, because of it coming under the state engineer, than they have in subsequent years and certainly than they have now.

Petershagen: Let's pause for a minute here, because we're about at the end of this tape, and we'll turn this over.

END SIDE 1, TAPE 1. JULY 28, 1994.  
BEGIN SIDE 2, TAPE 1. JULY 28, 1994.

Petershagen: Bill, we were talking about your experiences "working through the ranks," so to speak. It seems that about the 1955-56 time frame as things were changing, and we find you at a pretty high level of responsibility at still a fairly young age.

### **Was in Responsible Positions at a Fairly Early Age**

Gianelli: Well, I think that's right. I went to work for the state engineer—let's see, I was out of the military service. I would have been about twenty-seven—after having five years with the service. And so ten years later, yes, I would have been in charge of water rights administration in the latter part of my 30s.



It was interesting, during a major part of that period, because I dealt so much with attorneys in connection with the administration of water rights, comments were made about my age at that time, being involved with some of those controversial issues. But I felt very comfortable with it—having started at the bottom, you might say, in the administration of water rights and working up through all of its facets—I felt very comfortable with the assignments that I had in that regard.

**The First Chairman of the State Water Commission, E. A. Chandler, Used to Visit with Him When He Worked in Water Rights**

But it was interesting, and going back to the time when I was involved with the administration of water rights, I can remember one of the people that used to come in and see me was the first chairman of the State Water Commission back in 1914, E. A. Chandler.

Petershagen: Oh, my goodness! I haven't seen *that* name for a long time.

**E. A. Chandler**

Gianelli: Well, let me tell you a little bit about A. E. Chandler, a very interesting person. He started out as an engineer, and I think he was State Engineer of Nevada. I'm not so sure but what he . . . He never became State Engineer of California, but then he acquired

a law degree without ever going to law school—some of it by virtue of his experience in water, as I recall—and he became a very prominent lawyer in San Francisco. He handled a lot of litigation, the early litigation right after the turn of the century, in the early '20s in California, and he used to come in when I was in charge of the Water Rights Section, and I remember talking to him, a wonderful old gentleman, who actually practiced law and didn't practice engineering. But he became a lawyer after having *been* an engineer and was very active in the whole field of water litigation in those early years.

### **Worked with Stephen Downey of the Firm of Downey, Brank, Seymour, and Rohwer**

Then another person that I worked closely with was Stephen Downey. Now Stephen Downey was one of the founders of the Downey firm in Sacramento.<sup>2</sup>

### **Sheridan Downey**

And Stephen was a brother of Sheridan Downey. Sheridan Downey was a U.S. Senator and was very deeply involved with arguments on acreage limitation and that sort of thing in the Congress.<sup>3</sup> (Seney: *Very much so*.) Stephen Downey was a lawyer

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2. Downey, Brand, Seymour, and Rohwer.

3. Senator Downey even wrote a book on the issue: *They Would Rule the Valley*. San Francisco: Sheridan Downey, 1947. He vehemently opposed acreage limitation.

who represented many interests in the Sacramento Valley, Reclamation District 108 and many others, in connection with, not only water litigation, but he was their legal counsel on many matters. So I really felt privileged to have been associated with some of those early-day pioneers in the water field in California who were *tremendous* people. And the state engineers:

### **Worked with Ed Hyatt and Bob Edmonston**

Ed Hyatt, who was state engineer for more than twenty years, to have him hire me when I first came aboard was a *great* experience. And to work with Bob Edmonston<sup>4</sup> who had been Hyatt's assistant for many years.

**“ . . . felt that I had an unusual opportunity in the early part of my career . . . to become involved with a lot of these people who were very prominent . . . in California's water development, and it was very interesting . . . ”**

So I really felt that I had an unusual opportunity in the early part of my career, primarily in the water right area, to become involved with a lot of these people who were very

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4. Bob Edmonston later left the Department of Water Resources to co-found Bookman Edmonston. See footnote on page 70. See also <http://oskicat.berkeley.edu:80/record=b11833424~S1> an oral history of Bob Edmonston by Donald J. Schippers in 1966 regarding the California Water Plan and subsequently published by the Oral History Program of the University of California-Los Angeles in about 1974. Information courtesy of Paul Atwood at the Water Resources Archive at the University of California-Berkeley.

prominent as names in California's water development, and it was very interesting to me.

Petershagen: I'll say. How well did you get to know Mr. Hyatt?

**“ . . . every year . . . at the close of the watermaster season, we had . . . a critique for about three days on the problems that occurred in the various watermaster service areas. . . . ”**

Gianelli: Oh, *very* well. I used to take field trips with him, and every year—it's sort of interesting—at the close of the watermaster season, we had—at a little deserted cabin up near Hat Creek and Burney Creek—we had a critique for about three days on the problems that occurred in the various watermaster service areas. All of the watermasters assembled there, generally about the last week in September, which was about the close of the irrigation season and our work for the year, and the state engineer would come up and be part of those sessions. And Ed Hyatt, if you look at his historical background, you'll find that he was very deeply involved in the administration of water rights in the early part of his career. So while he was state engineer, I always viewed him as a person who had a very unique background in connection with water rights, by virtue of having been state engineer for such a long period and having the administration of water rights under him during that period that he was state engineer. So I really felt

that I had a unique opportunity as a young engineer to be exposed to those kinds of people and people on the first Water Commission and lawyers and engineers both in California who provided a lot of the history of California's water arena.

Petershagen: You probably remember the old magazine *California Highways and Public Works*?

Gianelli: Oh yes!

Petershagen: Now, in every issue of that—of course, highways and transportation was the lion's share—but in every issue there would be a report by Ed Hyatt. And I'm sure he must have had various people on the staff that wrote articles. (Gianelli: Sure. Yes.) Did you ever do any of that?

Gianelli: I don't recall that specifically, but I wouldn't be at all surprised, because I did a lot of work with Ed Hyatt.

**Staffing in the State Engineer's Office Was about Fifty and When He Became Director of the Department of Water Resources There Were 4,600 Employees**

I was trying to remember, I had a roster at one time that I kept. I don't know whether it's still around or not, but on an eight-and-a-half by eleven page it had listed in two columns all of the employees of the State Engineer's Office, and I guess there must have been fifty. Well, when I became

director of water resources, just in the Department of Water Resources, we had 4,600. (Laughter)

**When He Left the Department of Water Resources Staffing Was 2,500**

And when I left we had 2,500. So, you know, this shows you what happens.

**“ . . .by virtue of having been involved early in the late ‘40s with the various agencies dealing with water and various people you got a chance to get an education that you can’t get now because everything now is so highly specialized. But we did everything in those days. . . .”**

So what I’m saying to you is, by virtue of having been involved early in the late ‘40s with the various agencies dealing with water and various people you got a chance to get an education that you can’t get now because everything now is so highly specialized. But we did everything in those days. As I say, not only did I hold hearings on water rights, but the state engineer sent me out on these sticky issues to help resolve some of the issues between the parties, and a lot of them were resolved by negotiation rather than through a detailed procedure that now they have to follow that the lawyers have pretty well programmed. So I really felt that it was a great period.

Petershagen: If we could go back to one other issue before we move on in your career, and that

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was in the matter of the holding of the water rights and this “magical” diligence in water rights.

### **Due Diligence in California Water Rights Applications**

Gianelli: Oh, yes, let me talk a little bit about that.

**“ . . . under the appropriation law, once . . . you file an application, you get a priority for that project. But you have to proceed then with due diligence to complete the application to get a permit from the state. The state then gives you times within which you have to construct the project—when you have to complete the use of the water *under* it. . . . if you don’t apply due diligence, then that application priority lapses. . . . ”**

In the administration of water rights in California, under the appropriation law, once an application is filed for a project, you file an application, you get a priority for that project. But you have to proceed then with due diligence to complete the application to get a permit from the state. The state then gives you times within which you have to construct the project—when you have to complete the use of the water *under* it. So the courts have said that the minute you file an application diligence starts to apply to that applicant. So you have to proceed with the final design of the project, its construction, and applying of the water to beneficial use. And if you don’t *do* that, if you don’t apply due diligence, then that

application priority lapses.

**“ . . . applications that were filed by the State Department of Finance beginning in 1927 were exempted from any showing of diligence specifically by legislative action. . . . So the big advantage to a person using those applications was they could get an early priority and not have to worry about any showing of diligence until they were assigned to them from the Department of Finance. So what happened with respect to the Central Valley Project, the first units were completed in the ‘40s, but they proceeded under an application that was filed in 1927. So they have a priority . . . going back to 1927. . . .”**

These applications that were filed by the State Department of Finance beginning in 1927 were exempted from any showing of diligence specifically by legislative action. The Legislature came in every four years and renewed the exemption of those applications from diligence. So the big advantage to a person using those applications was they could get an early priority and not have to worry about any showing of diligence until they were assigned to them from the Department of Finance. So what happened with respect to the Central Valley Project, the first units were completed in the ‘40s, but they proceeded under an application that was filed in 1927. So they have a priority, then, as opposed to other appropriators, going back to 1927. Whereas, if they had filed their own applications later on—which they



did, to implement those first ones—they have a priority only as of the date of *them*. So the priority of the date of application and the showing of diligence was very important, and these applications by the Department of Finance, which were later assigned to the people who were going to build the projects, were specifically exempt from any showing of diligence until assigned, which was extremely important in terms of keeping the priority back to the original date of the filing of those applications.

Petershagen: Thank you. Then if we can continue, I guess, and get back into the chronological style that we were in, then in about 1956 with the reorganization . . . .

### **Reorganization of the Department of Public Works and Creation of the Department of Water Resources and the Water Rights Board**

Gianelli: Let me talk a little bit about that, because it's very interesting. There were a lot of efforts in the late, I would say, late '40s and early '50s to split off the activities of the state engineer from the State Department of Public Works. And let me back up. When I came aboard in 1946, the State Department of Public Works was headed by a fellow by the name of [Charles H. Purcell] Purcell. I think that was his name, as I recall.

Petershagen: Yes, former chief of the Division of Highways.

Gianelli: Right, but he became Director of Public Works. And the Public Works Department, as it was called at that time, had a Division of Highways, had a Division of Water Resources, and had a Division of Architecture. Those were the three main divisions in the Department of Public Works. In the early 1950s, then, as the water plans and the state started to expand, the Legislature started to say, “Hey, we think we need a State Department of Water Resources with enough posture so that the director is a cabinet member appointed by the governor and thus raise the status from a division under Public Works to a full department.” And so in 1955—this is interesting—Assemblyman [Casper] Weinberger carried the legislation which created the Department of Water Resources and the State Water Rights Board. And the effective date of that reorganization was in July of 1956. And so 1956 was a very key date in terms of California water development when the organizational structures changed radically from the old state engineer, Division of Water Resources, to a *Department* of Water Resources and a State Water Rights Board. Now, in subsequent years, the State Water Rights Board has been expanded to include water quality, and it’s now a five-man board called State Water Resources Control Board, that has both water rights and water quality. But in 1956, the only function was water rights—that was the old Water Rights Board.

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- Petershagen: And it was about this time that you said you had to make a decision as to whether to go with the Department of Water Resources or with the Water Rights Board.
- Gianelli: Right. That's correct. And as I say, it was a tough decision because I really felt that I probably could have been of more value as, say, the chief civil servant for the Water Rights Board, a three-man panel. And they wanted me to come up there. Henry Holsinger wanted me very badly, and then so did Penn Roe, who knew my background. But Harvey Banks wanted me to go with him *also* because of the relationship we had built over the years. It was a tough decision, but I finally made it clear that my preference was to go with the Department because of the opportunities I thought it afforded.
- Petershagen: Now, either direction you took would have left you in Sacramento (Gianelli: Yes.) so it was almost a hundred percent career decision and no real family involvement.
- Gianelli: Exactly. Either one of them would have been satisfactory in terms of my family conditions at that time, which was a young family I was raising here.
- Petershagen: By the way you described it, either position would have been about the same in its financial rewards?
- Gianelli: Yes, I was at the top, or next to the top, of the civil service ranks. I started out as a

junior engineer, and then I ended up as principal engineer of water rights, which was the top civil servant other than assistant state engineer. So I really had reached the top, and I could have gone over to the department as principal engineer, or I could have stayed as principal engineer with the new board. In the department I wouldn't have been the top civil servant. Probably there were others that were higher than myself at that time. But in the water rights, I would have been probably the top civil servant. I would have been the top person for the three-man Board. Whereas in the department I wouldn't have been the top person, but I was an assistant to Harvey Banks at that time, and he was the director.

Petershagen: And about how long did that relationship continue?

**Prepared the Water Rights Applications for the Department of Finance to File for the State Water Project**

Gianelli: Well, the interesting thing was, when I went to work for Harvey, I immediately got involved with the State Water Project. Let me back up a little bit. When the State Water Project was contemplated, it was necessary to file applications—for the Department of Finance to file applications such as the early ones that had been filed in '27 for the Central Valley Project. And so the State Engineer—this happened in about 1953—Bob Edmonston, asked me to

prepare—because I was still involved in the administration of water rights—the necessary applications for the State Water Project that could be filed by the Department of Finance. So I did that. I was the person who prepared all the water right applications which were filed by the Department of Finance in furtherance of the State Water Project in 1953. So I had that background, which goes back a little bit to the time when I was involved with the administration of water rights.

**In 1956, as Harvey Banks’s Assistant, Became Involved with the State Legislature on the State Water Project**

Moving on then, in 1956 as Harvey Banks’s assistant, we immediately got involved with the Legislature on the State Water Project, and the plan was how does it get constructed, how do we overcome the problems that exist politically, and all that?

**Governor Goodwin Knight Created a Water Lawyers Committee**

An early effort was the creation of a water lawyers committee by Governor Goodwin Knight.

**“ . . . at that time, the big hassle was north/south. . . ”**

And at that time, the big hassle was north/south. And Governor Knight felt that

it required—and the lawyers had told him—a constitutional amendment to do two things: to protect the counties of origin in northern California, that whatever project went ahead they would be protected, for any water they needed could be pulled back and used by them; and on the other hand, protect the areas of deficiency, which would have provided the financing, and would rely on any water that was developed—namely the central and southern part of the state.

So there was this big problem that developed in trying to draft a constitutional amendment. So Governor Goodwin Knight, in the spring of '57, created a special Governor's Water Lawyers Committee to deal with this matter of establishing a water rights constitutional amendment. And that committee was very interesting because it consisted of fourteen lawyers. Seven of them were legislators. Seven of them were private sector. Seven of them were from northern California, and seven of them were from southern California. And I was assigned as the engineer to this water lawyers committee to give them technical advice.

And this water lawyers committee was headed by Burnham Enersen who is still alive and now retired as a prominent water lawyer in San Francisco as part of the McCutchen firm there.<sup>5</sup> And the committee met every weekend all during the spring of

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5. McCutchen, Thomas, Matthew, Griffiths, and Greene.

1957 in order to try and draft the constitutional amendment. And so these lawyers . . . I was there as a technical advisor to this water lawyers committee that worked on this constitutional amendment. Well, the whole thing didn't ever materialize because about that time . . . . Let's see, I think Pat Brown came in in 1959, so in the meantime, the Legislature had deadlocked on this issue of a constitutional amendment, and so it never really got anywhere even though this committee worked and came up with a product, and it was introduced into the legislature as a constitutional amendment. But it never got passed by the legislature because the north/south controversy still prevailed.

**“ . . . when Pat Brown became Governor in 1959, he had a background on California's water problem . . . So he appointed Ralph Brody as Special Counsel to the Governor, and the approach was then to enact legislation which would provide the financing to build a water project and get away from this legal argument on a constitutional amendment. . . . ”**

Well, okay, when Pat Brown became Governor in 1959, he had a background on California's water problem because he was involved with the Colorado River litigation as Attorney General of the state. So one of his priorities was to try and move this State Water Project into some sort of a fruition. So remember now, at that time I was still an assistant to Harvey Banks, and when Pat

Brown came in, he reappointed Harvey Banks as director, but as *deputy* director he appointed Ralph Brody. Ralph Brody had been a lawyer with the Department of Interior and then was in private practice in Sacramento. So he appointed Ralph Brody as Special Counsel to the Governor, and the approach was then to enact legislation which would provide the financing to build a water project and get away from this legal argument on a constitutional amendment. And so it was very interesting then.

### **Burns-Porter Act of 1959 and the State Water Project**

At that time, Ralph Brody became the architect for the Burns-Porter Act, and Ralph Brody had an office in the governor's office right next to the governor as Special Counsel to the Governor on water matters. But he was also a Deputy director of the department, theoretically under Harvey, although Ralph reported directly to the Governor. So the two of them then—Harvey kind of was the guy who was the PR [public relations] person out in front—to go around and sell Pat Brown's proposal, and Ralph Brody was the brains behind it who put together the legislation from the legal standpoint, so that the legislature could deal with it.

And then Pat Brown had, as authors of the Burns-Porter Act, he had Carley Porter, who was the chairman of the



Assembly Water Committee—highly respected, Jess Unruh looked to him for all of the decisions in water—from Compton, southern California, and highly respected. And then he appointed Hugh Burns as the other co-author, who was the leader of the senate. So that’s why we the legislation was called the Burns-Porter Act. So the orchestration for this legislation was that Ralph Brody provided the expertise and the drawing of the Burns-Porter Act and worked with the Legislature on getting them to agree to it, Pat Brown provided the political muscle, and Harvey Banks went out and did the PR in the field with the water people and so forth, in order to make this thing go. And when the legislation came up for consideration in 1959, I was the prime witness before the Legislature on the State Water Project.

**“Harvey Banks and Ralph Brody were not always in accord . . .”**

Harvey Banks and Ralph Brody were not always in accord since Harvey believed that he was the director and should run it. Ralph Brody felt that he had a special assignment from the Governor, and he should kind of run it. The net result was that they couldn’t agree on which of them should go before the Legislature and testify, so they had Gianelli go.

**“. . . I was the prime spokesperson for the project, testifying on the technical issues. . . .”**

I went as the prime witness, and if you go back into the records of the Legislature, you'll find that I was the prime spokesperson for the project, testifying on the technical issues. The legislation was passed in 1959.

### **Resigned at the End of 1959 and Went into Private Practice**

I resigned in the end of '59 before the project came to the public vote in 1960. That's when I went into private practice.

Petershagen: To go back to when you first mentioned the water lawyers' association, the committee that was put together, an advisory committee to the Governor, if I could use that term. (Gianelli: Yes, yes. That's fine.) What were your feelings about that? It seems to me that at that time the engineers were the knowledgeable community, and now all of a sudden the power starts to shift to the lawyers.

Gianelli: Well, that's correct, and it was interesting to me, because you had some very interesting people on this water lawyers committee. You had people like (State Senator Edwin J. Regan) Ed Regan from Weaverville on behalf of the north. You had (State Senator Richard Richards) Dick Richards, who before reapportionment represented *all* of L.A. [Los Angeles] County—he was a member of this committee. Then you had

other people like [William H. Jennings] Bill Jennings, who'd been on the Water Commission, was a very prominent water lawyer from San Diego. You had [State Senator James] Jim Cobey. You had a real interesting group of people. But it was apparent to me, after listening to these people, that the lawyers would never be able to agree on a constitutional amendment, and that's what happened. There was a minority report filed, I think particularly by the people on the committee from the north, and that's why it never was able to get through the legislature. The lawyers simply couldn't agree. And it's kind of interesting. Here is a letter that I got from Goodwin Knight following the completion of the work, and it's sort of interesting. I've kind of kept it over the years because it sort of reminds me of the work that was done by that committee. [Gianelli indicates letter from Governor Goodwin Knight on his desk.]

Seney: Let me ask you if I may . . . Let me ask you about the national government, the federal government. The Bureau of Reclamation has got to be in the thinking here of the State Water Plan. You've already got the Central Valley Project underway. That's got to be an element of the State Water Plan.

Gianelli: Well, let me back up then. The state engineer, under directives from the legislature, I guess, started in the late 1940s to develop the so-called California Water Plan. And the California Water Plan came

out finally . . . I've given most of my library to the University [University of California (Berkeley) Water Resources Library], but I may have kept a copy. Here it is! [Holds up Department of Water Resources Bulletin #3.] This bulletin was produced—the final date was 1957—but it was started during the state engineer's regime.

The California Water Plan had as a foregone conclusion the fact that the Central Valley Project would be in existence. But the feeling at that time was that the Central Valley Project was not adequate to take care of all of the needs of California, particularly southern California and the extreme southern end of the San Joaquin Valley.

**“The Central Valley Project, if you go back into the history of it, was really designed to serve irrigated agriculture in the east side of the San Joaquin Valley with some service going to Contra Costa County. . . .”**

The Central Valley Project, if you go back into the history of it, was really designed to serve irrigated agriculture in the east side of the San Joaquin Valley with some service going to Contra Costa County. That Contra Costa came later, largely due to some of the efforts of the people there. But it was basically a project designed to serve the east side of the San Joaquin Valley that had inadequate water supplies.

**“. . . you have the Delta-Mendota Canal to replace**

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**the water rights of the lower San Joaquin River so that San Joaquin River flow can be intercepted at Friant for diversion. . . .”**

That’s why you have the Delta-Mendota Canal to replace the water rights of the lower San Joaquin River so that San Joaquin River flow can be intercepted at Friant for diversion.

**“the whole assumption of developing the [State Water] Plan was that the Central Valley Project was pretty well committed to do what it had to do in serving irrigated agriculture in the San Joaquin Valley, with some service along the Sacramento in the process, and that you could not expect the federal government to come along and solve the remainder of California’s water problems. . . .”**

But anyway, the whole assumption of developing the [California Water] Plan was that the Central Valley Project was pretty well committed to do what it had to do in serving irrigated agriculture in the San Joaquin Valley, with some service along the Sacramento in the process, and that you could not expect the federal government to come along and solve the remainder of California’s water problems.

Seney: Which would be described as what?

**Southern California and the Southern End of the San Joaquin Valley Needed More Water Supply**

Gianelli: Which is largely the very southern part of

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**Oral history of William (Bill) R. Gianelli**

the San Joaquin Valley, largely, and also southern California. And, also, remember flood control was very important in this project.

**The Central Valley Project Did Not Have Flood Control for All the Areas That Needed it**

The Central Valley Project would not give flood control to all of the areas that had to have flood control. So that's when the legislature said, "Well, we've got to get the state into the business, then, now."

**“. . . the state came along as part of the California Water Plan with a State Water Project, the whole theory being that it would supplement . . . the Central Valley Project, which had a different assignment than the State Water Project had. The State Water Project was designed very heavily to M&I use in southern California. . . .”**

And so that's when the state came along as part of the California Water Plan with a State Water Project, the whole theory being that it would supplement, if you want to say that, the Central Valley Project, which had a different assignment than the State Water Project had. The State Water Project was designed very heavily to M&I use in southern California.

Seney: M&I meaning?

Gianelli: Municipal and industrial use, while there was to be some use in Kern County,

particularly on the west side. And there are other uses along the way, but those other uses were not dominant.

**“The main support for the State Water Project came from southern California and Kern County. . . .”**

The main support for the State Water Project came from southern California and Kern County.

Seney: Had there been an attempt to get the Bureau of Reclamation to enlarge the Central Valley Project to do what the State Water Project was now going to do?

**“ . . . the Bureau, originally was oriented toward agriculture. It was not oriented toward M&I water. So when you brought in the needs of southern California, it really looked as though it was an assignment that wasn’t really geared for the Bureau of Reclamation . . . ”**

Gianelli: No, I don’t think so, because you can . . . Remember the Central Valley Project, the Bureau, originally was oriented toward agriculture. It was not oriented toward M&I water. So when you brought in the needs of southern California, it really looked as though it was an assignment that wasn’t really geared for the Bureau of Reclamation that was oriented very heavily toward agriculture, plus the the acreage limitation of the CVP was another concern for future water projects.

Seney: The 160-acre limitation.

**“The 160-acre limitation was a very important reason why a lot of the farmers, particularly in Kern County, supported the State Water Project and did *not* want to go with the Bureau . . .”**

Gianelli: Yes. The 160-acre limitation was a very important reason why a lot of the farmers, particularly in Kern County, supported the State Water Project and did *not* want to go with the Bureau because they didn't want to be bound by the acreage limitation.

Seney: As long as we're on this part, there were discussions by the state to buy–take over, at any rate, whether “buy” is the correct word or take over–the federal project. (Gianelli: Yes.) What is the politics of the general situation.

### **In the 1950s California Looked at the Possibility of Taking over the Central Valley Project from the Bureau of Reclamation**

Gianelli: That was very interesting, because that happened . . . Let's see, that happened in the early '50s. The legislature passed a resolution or something or other which directed the state engineer to look into the feasibility of taking over the federal Central Valley Project. And the state engineer had a report . . . I remember being involved. There was an attorney by the name of Irving Pfaffenberger who worked on that *exclusively* during the early 1950s, and the



state engineer came up with a report about three years later, following the action of the legislature. Well, it fell on deaf ears. Nobody was interested at that time. The legislature wouldn't touch it. All of the problems that surfaced as a result of the report made it clear that the state was in no position to take over the Central Valley Project.

**“ . . . when this suggestion came along here a few years ago, surfaced again, I predicted, ‘Hogwash! It’s never going to happen. Go back and read the history of what happened back here in the 1950s when the state proposed that.’ . . . ”**

And that’s why when this suggestion came along here a few years ago, surfaced again, I predicted, “Hogwash! It’s never going to happen. Go back and read the history of what happened back here in the 1950s when the state proposed that.” And I think that my own feeling is that the current effort of a few years ago to try and reinstitute that [1950s] effort is never going to go anywhere. It’s not feasible.

Seney: Any insight into the thinking in the legislature—I guess I want to say the politics in the legislature—of why in the ‘50s they would suggest this as feasible and why does it come up again? What is the conflict between the people in California and the Bureau that would make the people want the state to take over the Bureau’s project?

### **State Versus Federal Control of the Central Valley Project**

Gianelli: In the early 1950s—and I guess even going back before that—I think there was some feeling that the state had asked the Bureau to come in, you know, when it couldn't finance it in the ['30s,] '40s, and that maybe now in the 1950s the state could get back into the picture and take over the CVP, which it originally started. Nowadays, the thinking, for example, of the current administration in Sacramento, the state administration, is that we want to control our own destiny in the water arena. So one way to control it would be to take over CVP. My own view is that it's been kind of a diversionary effort by the state to confuse some of the issues that are currently present in California's water picture. And that while the state now . . . The Governor has supported that, but it's not going to go anywhere at the federal level. And when you sort out the issues, my own judgement is that it'll never go anywhere.

Petershagen: Let me just interrupt, Bill, because we're at the end of the tape, so let's stop with that thought.

END SIDE 2, TAPE 1. JULY 28, 1994.  
BEGIN SIDE 1, TAPE 2. JULY 28, 1994.

Petershagen: Bill, you were giving us your thoughts on state versus federal ownership of the CVP. Would you like to continue that?

Gianelli: There were, going back again, there were two efforts in the last fifty years for the state to take over the CVP. The first one was the one I've indicated that took place in the early 1950s when the legislature requested the state engineer prepare a report on that possibility. The state engineer did prepare a report in the early '50s, but by that time the legislature had lost interest in the state takeover and the proposal didn't go anywhere, so that dropped. Now the issue has surfaced again in the last few years when Governor [Pete] Wilson has suggested that California should control all of it's water destiny, and one element of controlling that destiny would be for the state to acquire the Central Valley Project. And so the state now has made the proposal—the Governor has made the proposal—that there be a committee formed to explore the possibility of the state taking over the CVP. My impression is that that proposal will never go anywhere—that the price tag is too high, that the complications are too great, the ground rules that govern each project are too different—and I don't think there's been any reception in Washington to move in this direction. So my own feeling is that the efforts of the state to take over CVP are not going to go anywhere and that we should program California's future anticipating that both projects have a role to play in the development of California's water resources and its use.

Seney: I want to get you to talk a little bit about the relationships with the Congress, and when *you* began to deal with members of Congress as a state water official. When does that come into your . . .

**Worked on the California and Nevada Negotiation of Compacts on the Truckee, Carson, and Walker Rivers**

Gianelli: Well, you see, part of the . . . Going back again to different times in my career, when the Department was created the State of California and the State of Nevada were negotiating a compact on the waters of the Truckee [River], Carson [River], and Walker [River] systems. One of the things that Harvey Banks assigned to me was representing California in those compact negotiations. And during that period we got involved very heavily, of course, with the Bureau of Reclamation because the Bureau of Reclamation had the Newlands Project and were very interested in the allocation of waters of the Truckee, Carson, and Walker systems. And so I got involved indirectly with the Bureau at that time in connection with those negotiations.

**Worked on Water Supply Contracts on the Sacramento River While in Private Practice**

But prior to that, as I indicated earlier, I was deeply involved in terms of the disposition of the Department of Finance water right applications to the Bureau for the

purposes of the Central Valley Project. When I went into private practice in 1960, I did a number of things which involved the Bureau. For example, I worked with John Luther who was the Executive Director of the Sacramento Valley Flood Control Association, a long-time person there who'd been involved with Sacramento River problems, and George Basye, who was an attorney with the Downey firm, as a three-man negotiating team, negotiating with the Bureau both water supply contracts and water rights settlement contracts along the Sacramento River. And during that period from 1960 until I left . . .

Seney: Can I stop you just a minute and ask you to give us a sense of what you mean by "water supply contracts." What was involved in all of that.

**“. . . recognition, for example, by the water users along the Sacramento River that their water rights were not adequate to take care of all of their needs during every kind of a water year that might exist. . . . At that time there was also a potential dispute between the Bureau of Reclamation and the water users as the Bureau viewed those diversions as having interfered with releases of water from Shasta Dam . . .”**

Gianelli: There was a recognition, for example, by the water users along the Sacramento River that their water rights were not adequate to take care of all of their needs during every kind

of a water year that might exist.<sup>6</sup> So the water users . . . At that time there was also a potential dispute between the Bureau of Reclamation and the water users as the Bureau viewed those diversions as having interfered with releases of water from Shasta Dam, in particular. So there was a potential threat of litigation by the Bureau of Reclamation against those water users because the Bureau felt that the water users were tapping into water that had been released by the Bureau from Shasta down to the Delta for pumping out of the Delta to meet the purposes of the Central Valley Project.

Seney: Could I ask you would this distinguish then between these people's rights to surface water as opposed to stored water?

Gianelli: We're talking only about . . . What I'm talking about's surface water now, because the water rights . . .

Seney: Okay, I guess surface water rather than stored.

Gianelli: The water rights of the major users, going below Shasta, down to the Delta, were direct diversion rights, because there was no storage–direct diversion rights on the natural flow of the Sacramento River and its tributaries. And they had rights that went

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6. John Budd of the Bureau of Reclamation also has been interviewed for the oral history program, and he worked on these contracts representing Reclamation.

back-riparian rights—and they had rights that went back way prior to 1927 because a lot of these users go back almost to the turn of the century when they started to use water to irrigate the Sacramento Valley.

**“ . . . there were the two problems. There was the problem of potential litigation from the Bureau of Reclamation . . . because the Bureau felt that they were tapping into . . . water released from Shasta . . . And the second thing was, a recognition . . . of those water users that the natural flow was not adequate to take care of all of the expanded irrigation use in the Sacramento Valley. . . . ”**

So there were the two problems. There was the problem of potential litigation from the Bureau of Reclamation against these people because the Bureau felt that they were tapping into other than natural flow—namely water released from Shasta that was going down to the Delta. That was one. And the second thing was, a recognition on behalf of those water users that the natural flow was not adequate to take care of all of the expanded irrigation use in the Sacramento Valley.

**“ . . . reach a settlement with the Bureau of Reclamation . . . that had two elements in it. One of them was a recognition of the prior rights of those people along the Sacramento River, and two, a supplemental contract to use Central Valley Project water to *augment* their supply so they would have a full supply. . . . ”**

So, we got the idea that what we ought to do is to reach a settlement with the Bureau of Reclamation, if at all possible, that had two elements in it. One of them was a recognition of the prior rights of those people along the Sacramento River, and two, a supplemental contract to use Central Valley Project water to *augment* their supply so they would have a full supply. And that eliminated—if you could do that— that eliminated the need for litigation in terms of adjudicating the natural flow rights as between the Bureau, for example, and the water users. And we negotiated during that period—I can't remember how many hundreds of thousands of acre feet—but we negotiated agreements between the Bureau and all those major water users along the Sacramento River.

**“ . . . those agreements represented what we called a water rights settlement and a supplemental water supply contract, which have been a great thing for the valley and for the Bureau in my judgement, because it resolved all of those issues that could have gone on to litigation for years and years . . . ”**

And those agreements represented what we called a water rights settlement and a supplemental water supply contract, which have been a great thing for the valley and for the Bureau in my judgement, because it resolved all of those issues that could have gone on to litigation for years and years and wouldn't have made any additional water.



### **Consulted with San Joaquin County Which Was Interested in Auburn Dam and Folsom South Canal**

That was one of the things I spent a lot of time on. Another client I had was San Joaquin County. I was the county's water consultant. And they were very interested in Auburn Dam and the Folsom South Canal. I was also involved with the Auburn Dam Committee at that time, that Bill Cassidy from Auburn headed, and it had a lot of people who wanted to promote the construction of Auburn Dam.

### **Congressman Harold T. (Bizz) Johnson**

Congressman [Harold T. "Bizz"] Johnson was on the [U. S. House of Representatives] Public Works Committee at that time, which was the committee that would authorize the construction of Auburn Dam and Reservoir and the Folsom South Canal. He introduced the legislation that authorized it, and I, on behalf of San Joaquin County and the Auburn Dam Committee, was one of the prime witnesses who went back before the Congress and testified before the House Public Works Committee that had the bill pending before it for the Auburn-Folsom South Canal. So I was deeply involved then, working primarily with Bizz Johnson. I was doing that as a private consultant, largely as water consultant for San Joaquin County at that time.

Seney: Am I right in thinking that Bizz Johnson's district encompassed, maybe not exclusively, but almost exclusively, counties of origin, rather than counties of destination?

### **Bizz Johnson Represented Counties of Origin**

Gianelli: Yes. That's correct. Bizz Johnson represented what I always categorized as the northeast portion of the state, which was sort of the area of origin.

Seney: I guess I point this out, and I want to ask you, how did that affect his thinking, and what were his interests as you worked with him?

Gianelli: Well, Bizz Johnson also was deeply concerned, I think, about certain flood control problems in the valley—particularly as it regarded Folsom, for example—and was interested in power that would be developed at Auburn, for example. And, as I recall, part of that—the upper part in the Foresthill area—would impact his district. And he, of course, was the congressman that California always looked to after the passing of [Senator] Clair Engle who was before him.

### **Senator Clair Engle**

I look at Clair Engle as one of the legislators who is very important in terms of California water development, who came up through the House Public Works

Committee, became Senator, and was identified with and carried a lot of the water legislation. When he passed on from the scene, Bizz Johnson sort of succeeded Clair Engle. From my view, Bizz Johnson became California's water leader, and his key position on the House Public Works Committee, which he later became Chairman of, made him a natural to carry legislation which was particularly important to northern California. And California was very involved because of flood control and also power, so that's how Bizz got involved.

Seney: I wonder if I could get you to talk a little bit about Clair Engle, who was, by all accounts, a superb politician. (Gianelli: Superb politician.) Very bright man. But maybe if you'd tell us a little about him.

### **Senator Clair Engle and Jim Carr**

Gianelli: Well, Clair was a Congressman when I first got involved with the water issues. And it was interesting, one of his protégés was [Undersecretary of the Interior James K. Carr] Jim Carr, and I knew Jim Carr quite well.

Seney: Was he later the director of SMUD [Sacramento Municipal Utility District]?

Gianelli: He was later the director, but before that he was the assistant [under] secretary of interior, the number two person under [Secretary of the Interior Stewart Udall]

Stew Udall. It was largely through Clair Engle that Jim Carr got the number two job in the Department of Interior. And while as undersecretary, his responsibilities were far broader than water. Jim was responsible for my being appointed as chairman of the Columbia Basin Committee that I talked about earlier that worked on the Columbia Basin drainage problem. Jim and I had a great relationship. Jim later became manager of SMUD. He also became San Francisco's airport manager and then eventually retired from those things.

### **Clair Engle and Sheridan Downey**

But anyway, Clair was a very important person. He and Sheridan Downey, if you go back into the history of California's water, you will find that they were very prominent in the development of California's water programs, in particularly the activities in the Congress—very important.

### **Involved in Reauthorization of the New Melones Project, 1960-1967, Where Congress Authorized Storage Water That Could Be Used to Ensure Downstream Water Quality**

Let me move on, then, to cover one last thing I wanted to cover. One of the other things as a private consultant during the period of '60 and '67 I got deeply involved with, was the reauthorization of the New Melones Project. At that time, PG&E

[Pacific Gas and Electric Co.] and Oakdale and South San Joaquin [Oakdale and South San Joaquin Irrigation Districts] had plans to expand the original Melones project, but there also was the problem of the Bureau going ahead and building an enlarged New Melones Dam on the Stanislaus River. And so [Congressman] John McFall was the key congressman with respect to the New Melones Project because he was the congressman representing that area. And one of the things that we worked on on the reauthorization of that project was to provide provisions *in* the legislation, the authorizing legislation, that provided for water quality downstream. And so I worked with John and with the appropriate people in the Bureau and in the Congress, the staffs, to get inserted in that reauthorizing legislation a provision for a dedication of storage space in New Melones for water quality purposes downstream on a nonreimbursable basis. And, as I recall, that was the first federal project that provided such storage. I felt very good about that.

Seney: What do you mean when you say . . . . I take it when you're talking about the water quality storage, we make the dam a little higher and store a little more.

Gianelli: Well, it would take the storage capacity, which was 2.4 million acre feet, and say part of that storage—and I think my figure is 85,000 acre feet. I'm not clear on that, but the legislation will indicate that—that that

amount of storage in that reservoir was dedicated to be released to maintain a quality of 500 parts per million TDS [total dissolved solids] at Vernalis on the San Joaquin River.

**“ . . . one of the problems before New Melones was built was that the quality of water in the lower San Joaquin River deteriorated very badly in the summertime and in the fall. . . . ”**

In other words, one of the problems before New Melones was built was that the quality of water in the lower San Joaquin River deteriorated very badly in the summertime and in the fall. The idea was that New Melones would sweeten up the supply there to make it useable for those people that were diverting water that came from the San Joaquin River during the low-flow periods.

Seney: What does it mean when you say this would be nonreimbursable?

Gianelli: It means that the allocated costs of that amount of storage would be paid for by the federal government on an amount which did not have to be reimbursed by the power or water users of the project. Just like flood control, it's a nonreimbursable.

Petershagen: And maybe Bill, while we're defining some terms here, you used "the reauthorization" of the New Melones Project as opposed to "authorization." Could you explain that

please?

Gianelli: Yes. New Melones was originally authorized—and I'd have to go back and refresh my memory—but originally authorized as a much smaller project. I can't remember the capacity, whether it was a million acre feet or less. But when the Bureau developed its plans for where that water could be used, it was to be tied in with the proposed Eastside Canal, which is not in the picture anymore. But at any rate, it was decided that it ought to be bigger, and it could be bigger. So the original project was authorized, but it was authorized for a much smaller reservoir, and the reauthorization was to provide for a larger reservoir with much broader uses to be made of it than originally contemplated. And that was the reason for the need for the reauthorization of New Melones.

**“Early on, there was a conflict between the Bureau and the Corps on who would build dams and reservoirs in California. And it was interesting the way it was worked out. It was worked out under the so-called Truman Formula . . . future reservoirs that would be built by the federal government in California . . . those reservoirs that were appropriate for the Corps to construct, the Corps would construct, but once they were constructed, the operation and marketing of the water would be turned over to the Bureau of Reclamation. “**

Let me bring in one other thing here

that you haven't talked about that's important to the Bureau. Early on, there was a conflict between the Bureau and the Corps on who would build dams and reservoirs in California. And it was interesting the way it was worked out. It was worked out under the so-called Truman Formula—[President] Harry Truman. And that formula said in effect—it was sort of interesting, the state was involved, and I got involved indirectly because I was working with the state—that formula said that it would take the future reservoirs that would be built by the federal government in California and say, in effect, those reservoirs that were appropriate for the Corps to construct, the Corps would construct, but once they were constructed, the operation and marketing of the water would be turned over to the Bureau of Reclamation. And that's what happened on New Melones. It's what happened on Folsom. And that's what happened on other reservoirs.

**“ . . . the policy worked out very well because it eliminated the competition. California wanted both agencies to be in the picture because politically it recognized that you could get more water projects built if you had both organizations than if you had just one. . . . ”**

I believe the policy worked out very well because it eliminated the competition. California wanted both agencies to be in the picture because politically it recognized that you could get more water projects built if



you had both organizations than if you had just one. The Corps had a lot of support from flood control interests, and the Bureau had a lot of support from water users. And so by working out a compromise on the role of each agency, you allowed them both to proceed and to play a major role in California's water development, and that's what happened. It happened on Pine Flat. It happened at New Melones. It happened at Folsom. The Corps built them, but it turned over the marketing to the Bureau.

Seney: And whose idea was this?

Gianelli: Well, I don't know.

Seney: It's a good idea for the reasons you described.

Gianelli: I wouldn't be at all surprised if it came out of either Hyatt or Edmonston's views as they started to develop this California Water Plan. I think it became apparent that—for the same reason the state got in the picture—I think those early people recognized that no one agency could take care of California's water needs. You had to have a composite, and that's how this worked out. But I thought that was interesting, how it all happened in this early period, a very interesting thing.

Petershagen: Can we get back into kind of the chronology? I guess I'm the chronologist here. Is that a word? (Laughter)

Gianelli: You're taking me now, pretty much, I guess, through 1967 when I became Director of Water Resources.

Petershagen: I want to go back ten years or more and ask just one simple question. You've said, "When I went into private practice," probably a dozen times now in the course of this conversation. Why?

**Appointed District Engineer in Southern California, but Decided He Wanted to Stay in Sacramento So He Resigned and Went into Private Practice for Seven Years**

Gianelli: Well, one of the things—it's sort of interesting—one of the things that happened after we got the Burns-Porter Act through the legislature, I was appointed the district engineer in southern California, Los Angeles, since Max Bookman<sup>7</sup> resigned to go into private practice. And Harvey Banks, since we got the legislation over, wanted me to run that southern California district. So I said, "Okay, Harvey," with reluctance. "I'll do that." Well, I went down there, and I

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7. Founded "... Bookman-Edmonston. . . . It is what I call a boutique water resources firm put together by Max Bookman and Bob Edmonston, both former high-level officials with California Department of Water Resources. . . ." Oral history interview of Pam Stevenson with David (Sid) S. Wilson Jr. Source accessed October 14, 2010, about 9:40 a.m.:

[www.cap-az.com/includes/.../Interview%20with%20Sid%20Wilson%202.doc](http://www.cap-az.com/includes/.../Interview%20with%20Sid%20Wilson%202.doc)

See also <http://oskicat.berkeley.edu/record=b11819197~S1> a 1965 oral history of Max Bookman by Daniel Simms of the Oral History Program, University of California–Los Angeles. Information courtesy of Paul Atwood at the Water Resources Archive at the University of California-Berkeley.

commuted for about six months, put my house up for sale in Sacramento. And after I was down there for six months, I said to myself, "I don't think this is where I want to raise my family." I wanted to stay in Sacramento. We had deep roots there. And I had reached the top, basically, of the civil service ladder, and I was still in my 30s, so I thought to myself, "What do I want to do?" So I thought, "Well, why don't I"—I had this background and I had the water rights experience—"Why don't I hang out my shingle, and I'll stay in Sacramento," which is what I did. And so that developed over the course of the next seven years. I stayed in Sacramento, and I operated as a consultant and did some of the things that I related to you that I did as a private consultant—very successful.

**Bill Warne Had Announced He Would Not Continue as Director of the Department of Water Resources If Ronald Reagan Was Elected Governor in 1966**

And then let me take you into the '67 period. I was very happy as a private consultant, doing very well. And when the election came along in 1959<sup>8</sup> between Pat Brown and others who were running, it was very interesting because [William E.] Bill Warne made it very clear—he was the Director of the Department of Water

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8. The election was in 1958. Brown took office January 5, 1959. However, it was not until the 1966 general election that a Brown vs. Reagan contest occurred.

Resources before me—made it very clear during the campaign that if Ronald Reagan got elected, he'd be the first appointee out of the organization. He would not serve under Ronald Reagan. And Ronald Reagan also said—this was during the Governor's campaign—"If he was elected Governor, the water project had a number of problems, and he was going to appoint a knowledgeable water engineer from northern California to head DWR."

**"I was a registered Democrat. . . . and I got a call. The voice on the other end of the line said, 'This is Ronald Reagan. I'd like to talk to you about becoming director of water resources.' . . ."**

I was a registered Democrat. I didn't know Ronald Reagan. So when Reagan got elected, to some people's surprise, he formed several committees in California to fill critical jobs in his administration—one of them was the director of finance, one of them was the director of agriculture, one of them was the director of water resources—because the water project was, in the minds of a lot of people, just in the embryo stage, and it was still uncertain whether it was going to be successful, or whether it could be completed.

So I was interviewed by two or three of these committees. I was a northern Californian, and I was a water engineer, but I was a registered Democrat. I knew these committees were functioning to try and

advise the governor on who ought to fill these positions, and I knew my name was in the hopper because a lot of my friends I had known on the water community were pushing me pretty hard. And I said, "Well, I don't know." I kind of was noncommittal on it. I didn't do any work on it personally trying to advocate it. But I knew these committees were working, and I knew that I was being interviewed for it because some of them had contacted me.

They had committees north and south both. So it was kind of interesting. While I was viewed as a northern Californian, one of the things that happened was that the *L. A. Times*, after the governor was elected, came out with an article, surprising to me, that said that the guy that ought to fill the DWR job, if Reagan's going to fulfill what he said, really ought to be Gianelli. And having that come from the *L. A. Times* . . . It came because one of the editors of the *Times* was [Edward] Ed Ainsworth—I don't know if the name means anything or not— but anyway, he was their water man during all the water hassle of the '40s and '50s, and I got acquainted with him. He watched me as I appeared before the committees and knew my background.

And so early in December [1966]—the election was in November—early in December I was sitting in my office one day, and I got a call. The voice on the other end of the line said, "This is Ronald Reagan.

I'd like to talk to you about becoming director of water resources." And while I wasn't completely surprised, I was kind of a little surprised that it came this way. So I said to him, "Well, I'm very flattered, Governor. Can we talk a few minutes about what your philosophy is with respect to the project?" I didn't have any interest in becoming involved as director if his view was that the water project wasn't going to fly or it shouldn't go or whatever. I was concerned about his policies on public power. I was concerned about his views on further water development. So we must have talked for a half an hour or forty-five minutes on the phone. Basically, what he said was, "I don't know anything about water. You've got to be my guide. You've got to steer me." So when I was comfortable with some of his general philosophies I said, "Okay, I'll take it." And so he said, "Okay, I'll arrange for a press conference at the Ambassador [Hotel in Los Angeles]." Lyn Nofsinger was his Press Secretary at the time. "Lyn will arrange for the conference."

I got on an airplane, went down two days later, and he announced me as director, and that was it. And so I walked into the office on January 2, [1967]. Bill Warne had walked out in accordance with his views, and so Reagan nominated me to be the director of water resources. It was kind of interesting.

I said to Reagan, “You know, I need to put together my own team on this thing if I’m going to make this project work,” because I knew it had lots of problems with it, both technical and financial, in particular, because we knew the project was underfunded. Pat Brown knew it. We *all* knew it because he only had a one-and-three-quarter billion dollar bond issue because he said, “That’s all the public will support.” But we knew the project didn’t have escalation plugged in it, so we knew it was underfunded.

**Asked Governor Reagan to Appoint Al Golzé,  
John Teerink, and Bob Eiland as His Deputies,  
Which He Did**

So I said to the Governor, “Governor, I would appreciate your letting me”—I think there were three deputies who were governor’s appointee positions, so I said—“I would appreciate the opportunity to have a major input in terms of your appointees because they’re key jobs.” Bill Warne had used those people as kind of doing various and sundry chores, but I wanted to reorganize the department and use them in a line capacity. So I said, “Okay, there’s three people that I want.” I want [Alfred R.] Al Golzé, who was a chief engineer under Bill Warne. He was a career Bureau guy, but Bill Warne brought him in. I said, “I want Al Golzé as one of my deputies. I want John Teerink as one of my deputies.” John was a career engineer.

He'd come into the state right after I did in '46, but he stayed with DWR. He didn't go out in private practice. I said, "The other one I want is [Robert G.] Bob Eiland."

Now, Bob Eiland was a staff person who had worked for me when I was in the department. Bob was in private practice at that time, and he was a very unusual person in that he was an engineer, but he had uncanny ability on financing and was an individual who had great judgement in terms of being able to sort out things and come down to the meat of any issue. So I wanted those three. I sent up a recommendation to the governor's office, and he appointed all three of them! So I had a team. So I reorganized the department. I gave each one of them a line responsibility. [Al Golzé] ~~Bill Warne~~ was in charge of finishing the design and the construction . . .

Seney: You said "Bill Warne." Did you mean Bill Warne?

Gianelli: [Alfred A. Golzé.] ~~Bill Warne, W-A-R-N-E.~~ He was to be in charge of the State Water Project. John Teerink was to be in charge of all of the other engineering functions, supervision of dam safety, flood control, planning, all the rest of the functions the department had at that time. Bob Eiland was to run the administrative and financial part. We had a financial advisor to work with the bond houses on the bond issues and do all of the financing of it.



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### **Governor Reagan Appointed a Governor's Task Force to Report on the State Water Project and its Issues**

And so they provided my team. We went forth with the project. I got the governor to appoint a Governor's Task Force to look at the water project in its total to see what its problems were. He did that. He appointed—I think it was a six-man task force—[and] gave them six months to come up with a report. They came up with a report on things which should be implemented to make the water project more efficient, which we implemented, and from then on we knew where we were going.

**“We had many problems, but we were able to go ahead and complete the project with all its complexities and all its problems and all its hassles and get it on line in 1973 . . .”**

**“. . .when that happened I said, ‘Governor, I’ve been in the job almost seven years. I’ve had enough.’ . . . ‘Okay, I’ll appoint you to the State Personnel Board,’ which was a plum appointment. It was a ten-year appointment occupying one-third time . . .which allowed me to resume my consulting . . . I served on until he asked me to come back to Washington, and then I had to resign to go to Washington. . . .”**

And when that happened I said, “Governor, I’ve been in the job almost seven years. I’ve had enough.” (Laughter) And so at that time he said, “Well . . . .” I

said, “I would be interested if you’d appoint me to another position, so he said, “Okay, I’ll appoint you to the State Personnel Board,” which was a plum appointment. It was a ten-year appointment occupying one-third time—I received a third-timer’s salary on it—which allowed me to resume my consulting practice and also have an involvement with the state. So he appointed me to the State Personnel Board which I served on until he asked me to come back to Washington, and then I had to resign to go to Washington.

### **Worked with the Bureau of Reclamation Because the State Water Project and Central Valley Project Had to Work Together**

But the period of my directorship was very interesting because it involved very close working with the Bureau of Reclamation because of the need of the two joint projects to work together. And one of the arguments at that time was the Delta water facility.

#### **Working on the Delta**

The Burns-Porter Act included a Delta water facility, but it didn’t designate what it was. The early plans were providing for cross-Delta channels and a lot of different options, and so right after that . . . Well, let’s see, I guess it actually took place during Bill Warne’s regime . . . They created a committee involving Bureau employees,

Corps employees, and Department employees to look at a Delta water facility.

Petershagen: Bill, I'm going to have to interrupt you, because the tape is driving our lives again.

END SIDE 1, TAPE 2. JULY 28, 1994.  
BEGIN SIDE 2, TAPE 2. JULY 28, 1994.

Petershagen: Bill, as we came to the end of the previous side of the tape, you were talking quite a bit about the Delta facility and so forth, so maybe you'd like to continue with that.

Gianelli: Yes, let me back up a little bit. The Delta, in terms of the original water planners in the state, was always looked at as the low point of the two valleys, the Sacramento and San Joaquin Valleys. And any major water project that took water from the areas of surplus, which are generally *north* of Sacramento, to the areas of deficiency *south* of Sacramento involve the diversion out of the Sacramento-San Joaquin Delta.

**“It was very logical because, at that time, any water reaching the Delta would have already been used by the Sacramento and San Joaquin Valleys to the extent they could use it and should be surplus except for what was needed to control salinity. So . . . the Delta . . . was a transfer point of water from the areas of origin to the areas of deficiency. . . .”**

It was very logical because, at that time, any water reaching the Delta would have already

been used by the Sacramento and San Joaquin Valleys to the extent they could use it and should be surplus except for what was needed to control salinity. So the water planners always envisioned that the Delta—I always called it a transfer point— [was] a transfer point of water from the areas of origin to the areas of deficiency. So all the water planners tied into their plans the diversion of water out of the Delta to the areas of deficiency.

**“ . . . the first project was the Central Valley Project which involved the construction of the Delta-Mendota Canal and a pumping plant on the southern Delta . . . to in turn supply the people along the lower San Joaquin River, so the water from the Bureau could be intercepted at Friant and diverted along the Friant-Kern Canal and the Madera Canal . . . ”**

And, of course, the first project was the Central Valley Project which involved the construction of the Delta-Mendota Canal and a pumping plant on the southern Delta to supply the Delta-Mendota Canal to in turn supply the people along the lower San Joaquin River, so the water from the Bureau could be intercepted at Friant and diverted along the Friant-Kern Canal and the Madera Canal which would serve a lot of those areas that didn't have adequate water. So it was always envisioned . . . When the state came along, it envisioned the same thing. The Bureau had been able to get along with a set of pumping plants at Tracy which allowed it

to perform its functions very well, supplied water to the Delta-Mendota Canal on an exchange basis. And so when the state developed its plans, too, it also contemplated developing a pumping plant on the Delta, and so it did. It planned and built Clifton Court Forebay, which was the forebay the state thought would be helpful to it to divert water out of the Delta because it could operate on the tides and that the two projects together would operate to take water out of the Delta.

### **Bulletin 76 Plan for Improving Water Transport Through the Delta**

Now, the belief always was that probably, in order to make those two big pumping systems work, you had to do something in the Delta itself. And so one of the original plans that was developed was called the old "Bulletin 76 Plan." Bulletin 76 was an early report by the state, going back, as I recall, into the '50s, which said you can enlarge some of the channels bigger than they are now; you can make some siphons under the San Joaquin River. So what you can do is, you can enlarge some of the Delta canals to divert water directly to those pumping plants. Well, that envisioned cutting off some of the channels, and so there was great objection to that by the recreational people and by the fishery people, who said in effect such a plan will be disastrous, both from a fishery standpoint and also from the standpoint of recreation.

You wouldn't have free access, and the navigation people got into the act, too—navigation of the Delta.

**“A committee of engineers . . . was created to look at what's the best way to get around this problem of the Delta—in other words, to get water to our pumps so we don't screw up the Delta. . . . that group . . . came up with the answer. The best thing is to build an isolated canal that takes water from the Sacramento River . . . and dump it into those two pumping plants. . . .”**

So anyway, as a result of that, as I recall, this would have been in the early 1960s . . . I was a private consultant at that time, and I was involved with San Joaquin County, so I was involved with this thing. A committee of engineers of the Bureau, of the Corps, of the State Department of Water Resources, was created to look at what's the best way to get around this problem of the Delta—in other words, to get water to our pumps so we don't screw up the Delta. And after a lot of studies and after a lot of work, that group, the technical group, came up with the answer. The best thing is to build an isolated canal that takes water from the Sacramento River that's released by the Bureau and the state, stored water, and take it around the Delta and dump it into those two pumping plants. That's the best way. Then you don't screw up the Delta. And at the same time, you provide outlets at various places along that canal to release water *into* the Delta, so that you can provide a better

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degree of salinity protection with less released water, because you'll be putting water in at several places along the canal.

### **Peripheral Canal**

So, that came along as the Delta facility, which was described under the Burns-Porter Act, and the Bureau subscribed to it because we said it would be a joint federal-state facility, a Peripheral Canal. Everybody bought into the thing.

**“ . . . under the Burns-Porter Act, Bill Warne, the director of water resources, had the authority to authorize that facility as the Delta facility, which Bill Warne did. . . . This would have been in 1966. . . . When I came in we fully supported the Peripheral Canal . . . ”**

When I came along as Director of Water Resources, I looked at it and I said, “Yes, that’s the best facility,” and I might say under the Burns-Porter Act, Bill Warne, the director of water resources, had the authority to authorize that facility as the Delta facility, which Bill Warne did. He did that just before he left office. This would have been in 1966.

### **Decided the Peripheral Canal Wasn’t Needed Immediately So Construction Should Be Delayed for a Period of Years**

When I came in we fully supported the Peripheral Canal, supported what Bill

had done, and said, “Okay, now I want to look at it.” So I looked at it, and my judgement said to me, “We really don’t need that thing for another five or ten years”—this was in the early ‘70s, I guess, when we got around to this, or maybe the late ‘60s—“but we don’t need it right away, so let’s put construction off a little bit” because under the state system whenever you built a facility the contractors had to start *paying* for it. So on the one hand, I was getting pressure from the water contractors not to build anything that wasn’t needed, and then I also had financial problems. I knew I was going to have trouble having enough money to finish the basic project, to allow the thirty-one water supply contracts to be honored for the state. So I said, “Okay, let’s put this Peripheral Canal off for a period of about ten years, or until when it’s really needed. But in the meantime, I’m going to do something that guarantees it’s construction in the future.”

### **Worked with the California Department of Public Works to Combine Interstate 5 Construction with Peripheral Canal Work**

So what I did was, I entered into an agreement with the California Director of Transportation, Sam Nelson at that time—this was in 1967 or ‘68–‘68 maybe, ‘69—around there.<sup>9</sup> He needed borrow to

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9. Samuel B. Nelson was Director of Public Works. In that organizational scheme, since replaced, Nelson’s span of control  
(continued...)



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construct Interstate 5 from Sacramento to Stockton. So I said—I got a bright idea—“Why don’t we, along the alignment of the Peripheral Canal—you could use that as a borrow area—and we’ll take the borrow from the bottom of the Peripheral Canal and use it for the construction of Interstate 5. In the meantime we’ll have the Peripheral Canal partly constructed by virtue of those borrow areas.”

Seney: What does a “borrow area” mean?

Gianelli: A borrow area is an area from which you extract material to build a freeway. It’s a hole in the ground. So I’m saying, “You highway guys, you’ve got to take this borrow material from the route of the Peripheral Canal, and that’ll do two things: It’ll save us five million bucks of money because it’s a joint facility. It makes a lot of sense.” And from *my* standpoint, I said, “Good! It’ll guarantee that that canal’s going to be built. If you got it half built politicians can’t resist it.” So that’s what we did, and that’s the way Interstate 5 was constructed between Sacramento and Stockton. If you fly over the route of the Peripheral Canal, you’ll see these excavated holes there in the route of the Peripheral Canal.

Petershagen: And as we drive over Interstate 5, that’s what provides the elevation above the

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9. (...continued)  
included the Division of Highways.

farmland.

Gianelli: You got it. That's exactly right. That's exactly right. So I thought it was a great move, thought it was smart as could be. I was very pleased with it. Everybody was happy with it.

Seney: You're smiling broadly as you tell it.

Petershagen: Just one thing, Bill. Why didn't it work?

Gianelli: Well, let me tell you. Let's take the thing on through.

We finished the [State Water] Project in 1973 down to Perris Reservoir. My main goal was to finish the project with its features so that the water supply contracts could be guaranteed. There were certain deliveries that had to be made. Metropolitan [Metropolitan Water District] was the big one, southern California. So I was worried about getting water to Metropolitan so they could pay their obligations to the state to keep the bonds from going defunct.

**In Spite of the Peripheral Canal Being Authorized Already, Opponents Were Able to Get It Put to a Vote of the People and it Failed**

Okay, so our administration left in '74, and in '75 [Governor Edmund G. "Jerry" Brown, Jr.] Jerry Brown came in. Ron Robie was his director of water

resources. So one of the first things that happened was that Jerry Brown and Ron Robie made a review of the Delta thing and they said, "Yes! Peripheral Canal is the answer. We support it." *But*, what he did then was he allowed the legislature to put it into a legislative package along with a whole bunch of other water projects, a lot of which made no sense. And when I got wind of this I said to Ron, "Don't put it back into the legislative hopper, because I've been through this thing before with the county of origin thing. The legislature can't *deal* with this water issue. And when we put the Burns-Porter Act together, we put it together with the idea that it would never have to go back to the legislature for implementation. That's why Bill Warne authorized the Peripheral Canal, and that's why we supported it, because we said that's an integral part of the facility, and we can't have the legislature screwing around with this thing."

Seney: So it was already okayed?

Gianelli: It was already okayed to be built. All that needed to be done was to start its construction. Well, Jerry Brown then, after he said it's the facility that ought to be built, somehow or other got convinced by some of the people who didn't want it, the opponents of the state project who were still in existence primarily in the Bay Area—they wanted to stop diversions out of the Delta by anybody—said, "Well, let's get it to be

reauthorized as a specific facility,” which they did put through a bill—I can’t remember the number of it, back in ‘82 or ‘83—a bill to authorize the Peripheral Canal as a Delta water facility plus “X” billion dollars of other water facilities, a lot of which didn’t make any sense. The Legislature had already put it through, had agreed to put it to a vote of the people. It was put to a vote of the people, and the people turned it down.

So everybody, not a lot of people, the opponents of water, say, “Well, it was a referendum against the Peripheral Canal.” And even my friends at the Metropolitan Water District depict that thing as a defeat of the Peripheral Canal. I said, “That’s not correct. My view is the people of California didn’t want to buy a several billion dollar bond issue of which this was a part, and that’s why it was turned down.” Now, I don’t know how we’ll ever know, but the point I’m making is, and I tried to make with Jerry Brown was, it’s not necessary for you to go back to the people, or to the Legislature.

So I got hold of Pat [Brown] and I said, “Pat”—I always had a good relationship with Pat because, remember, I testified for the legislation as a civil servant—and so I said to Pat, “We can’t let Jerry put this thing through the Legislature. It’s going to get all screwed up.” So he said, “Well, let’s go see him. I’ll make an appointment.” So I said, “Okay.” So he made an appointment with

Jerry, and he [Governor Pat Brown] called me and said we've got a date with him at a certain time, so I met Pat and we went in to see Jerry. Jerry was busy and couldn't see us.

So in the meantime, Ron Robie was there, so we started this discussion with Ron Robie, and finally the Governor walked in, and I said to him, "Don't put this thing in the legislative hopper," and Pat said that, too, because he knew what he'd been through to get the original Burns-Porter Act. And Jerry said, "Well, I've got some problems on a tax issue, and this is the only way I can get my tax issues through is to do this. The supporters for my tax proposal say if I do this, they'll support it." So he was committed to go to the legislature, and so that is the story of what happened on the Peripheral Canal. And so now it's hanging in limbo pending some politician having the courage to go ahead and start its construction in the light of the record that's been built in terms of the vote on this proposal of Jerry Brown.

Petershagen: What's wrong with the politics of the situation, now, Bill? In the last go-around with the Peripheral Canal where arguably we once again had a referendum on the Peripheral Canal, in my mind, it was bumper stickers that talked about water from north to south and all this kind of stuff. (Gianelli: That's right. That's right.) Where are the engineers that we need to really carry the

banner and explain that to the people?

Gianelli: The engineers and the water people, in my judgement, have done a very inadequate job of getting the facts out to the people, a very inadequate job. So as a result, the politicians have taken over, and it's such a political hot potato that none of them want to touch it. And I don't care whether it's Jerry Brown or [Governor George] Deukmejian or Wilson. They've *all* avoided . . . Wilson now has appointed this Delta Oversight Committee. I wrote him, and I said, "Gee, we don't need any more studies of the Delta. We need somebody to move ahead." Well, he's got the thing so the report comes out *after* the election. Well, you know, I've been around enough to know how these politicians think and how they work, and it's too bad, because Goody Knight had the same problem. He didn't want to tackle the tough issues. That's why he had had this water lawyers committee, and the legislature fouled up on it. Pat Brown is the only person that had the political courage to make it go. And he just barely made it. The Burns-Porter Act almost didn't pass the electorate—just barely passed. If it hadn't been for Pat, it never would have gone through the legislature.

Seney: I want to ask a question about that, because when the Burns-Porter Act passed you had an assembly that was apportioned according to population. You had a senate that was apportioned on the old federal plan, giving

the north as much or more power than the south had. In other words, the north could have blocked a lot . . .

Gianelli: Let me tell you what happened.

Seney: Let me finish my question because I know you're going to . . . Now we get to 1982 when the Legislature's been reapportioned according to population. *All* the power is in the south, and you can't get the Peripheral Canal through without a referendum. What is different there?

### **How the Burns-Porter Act Passed**

Gianelli: Well, let me take you back through the political work and the passage of the Burns-Porter Act. The Burns-Porter Act originated in the assembly. Carley Porter carried the bill originally. Remember, Hugh Burns was the co-author, but Carley carried it. They got it through the assembly largely through Carley's efforts and working with the governor, working with Ralph Brody. They worked very close. Ralph did the work on it—got it through. When it got over to the senate, the agricultural senate who wasn't very enthused about this thing to begin with, started to fool around with it. And so George Miller, from Contra Costa County—he was a state senator, he was Chairman of the Senate Finance Committee—was very anti-diversion out of the Delta.

So the senate . . . Hugh Burns,

remember, was Pat Brown's person carrying the bill on the senate side, was able to get it through the senate, but the senate put a bunch of things *in* the Burns-Porter Act that they thought were unacceptable to the Assembly. So their strategy was to pass the Burns-Porter Act, with their massaging of it, with items that they didn't think that the assembly would buy and to throw it back into a conference committee, at which time the north could come out, you know, on this thing . . . Maybe it wouldn't even pass. What happened was, when the Senate *did* that, Pat convened a meeting of Brody and Porter and others and said, "Now look. Look at what the Senate has done to us. First of all, they've siphoned off some of the Burns-Porter Act money for general obligation bond issue by saying to the extent you've spent Tideland Oil Funds you've got to set aside an amount"—and it turned out to be \$165 million of that—"for North Coast development" or whatever. That was one thing that we didn't want into it. George Miller said, "I'm going to make you people put in 10,000 second-feet of capacity from the Delta to San Luis, to make sure you can only siphon off surplus water. You aren't going to take the low flows," which we didn't want. We said, "That's too much capacity. We don't need it." So their strategy was to put things in the bill that were unacceptable to the administration and to the assembly and get it back into a conference committee where they could do their massaging.



When it came back, the Governor and Carley and Brody and those guys just said— they looked at this thing—they said, “If we go into a conference committee, we don’t know whether we’re ever going to get *anything* out. We won’t even get a *bill* out.” So they said, “As distasteful as this thing is, let’s accept it. Let’s accept the Senate’s version. It doesn’t have to go to conference committee, and then we can toss it directly to the electorate, and we’ll work on the electorate to get that passed.” And that’s what they did. So the strategy of the Senate backfired on them because the bill got through *without* coming back to them, and the state accepted those things which made it more difficult to complete the project. That’s the politics that went on— very interesting. This is not known to a lot of people. A lot of people don’t understand this, and, of course, there are only a few of us that were involved at the level that knew what happened at that time.

Seney: Where does the Davis-Grunsky Act figure in here?

Gianelli: Davis-Grunsky Act was the payoff to [Assemblywoman] Pauline Davis to get her to support the Burns-Porter Act as it went through the assembly. She got five reservoirs in there that would not have been built if she hadn’t been badgering the department and the assembly on something for the northern California interests. They would not have been put in. We called them

“Pauline’s Puddles.” (Petershagen and Seney laugh) No, really! That’s the history of it. That’s how it got in there. It got in there to get Pauline’s vote on the assembly side so that we could get the bill out of the assembly in the first place. Otherwise, she was a formidable lady, and, boy, she could generate a lot of opposition. And she, I know, as a witness she really raked me over the coals more than once. I got along with Pauline, but she was tough, and if she hadn’t gotten something in there for her area you’d never have gotten her support.

Seney: And her support was critical you were saying?

Gianelli: Very critical. Three of them have been built. (Seney: Have they?) Three have been built, two of them haven’t been built. I don’t know if they ever will be or not.

Seney: Yeah. Which ones are the three, by the way?

Gianelli: Frenchman, which serves some irrigation water to Sierra Valley, and then there’s one on . . . . What is that called? It’s called Lake Davis now, but it wasn’t originally called that. Then there’s one other one over on the Indian Valley side that’s largely stream flow enhancement downstream. I can’t remember the name of it right now. There were two more, but they haven’t been

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built.<sup>10</sup>

Seney: You know, in your interview that you did with the Berkeley people, you talked about when you became Assistant Secretary of the Army for Civil Works, in charge of the Army Corps of Engineers, how difficult you found it working with members of Congress, how powerful they were, and how they could thwart your plans if they so chose. (Gianelli: Yes.) I got the feeling, though, that when you talked about members of Congress when you were water director here in California, that you found them very useful, that power was very useful to you.

### **Differences Between Dealing with the California State Legislature and the Congress**

Gianelli: Well, let me tell you the difference in dealing between the legislature and the congress. All the difference in the world. When I ran the Department of Water Resources I really felt that I was in control. I ran that department, and the bureaucrats followed the policies that we had under the Governor. I really felt I was in control of that thing, and I had a number of legislators that I worked with who wanted to make the thing work—people like [Assemblyman] Frank Lanterman, Carley Porter, Jim Cobey—those people who were involved at that time in the water issues. So we worked

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10. “Pauline’s Puddles” comprise Frenchman Lake, Lake Davis, and Antelope Lake. These often are referred to as the “Upper Feather River Lakes.”

more as a team at that time.

**“When I went back to Washington, while I theoretically had all of the Corps’ civil works under me, I found that the Corps really acted as staff to individual members of Congress. . . .”**

When I went back to Washington, while I theoretically had all of the Corps’ civil works under me, I found that the Corps really acted as staff to individual members of Congress. And then I’ll give you a couple of examples on it. When I tried to veto a Corps project, which I felt from an engineering standpoint didn’t make any sense, I found that the Corps had gone to that congressman and said, “Here’s a good project that will get you a lot of votes in your district. Why don’t you sponsor it?” And so that’s what happened. So what I’m saying to you is that even though I had the Corps under me, and I had the administration backing me back there, I found that the Corps hierarchy worked as a staff to members of Congress and that, therefore, they didn’t hesitate at all to go around me if they felt that it didn’t serve their purpose and to get support from individual members of Congress. And one of the big differences is that the governor, you remember, has the veto power on appropriations. The President does not.

Seney: The line item veto.

Gianelli: That’s right. And so, on a number of

projects that the administration and I opposed back there, got jammed down my throat by members of Congress by putting them in as a rider on the Appropriation Act, etcetera. I was able to do some things, but I felt very frustrated that I couldn't do back there what I felt I did in California because I didn't have control, basically. (Seney: Yeah.) And I think that's what happens in a lot of areas when you're dealing with the Congress. The Congress is different, particularly with these agencies that act as their staff. I was really appalled at what I found was going on kind of behind me. And I could never pin anybody in the Corps on it, but I knew very well it was happening because I knew the information which the Congress had *had* to come from the Corps. But the Corps would never, you know . . . They always answered with "Well, when a Congressman asks me to come over I will." So I put out an order. I said, "Any contacts with Congress, I want a memorandum on it." Well, you know, that worked so-so.

Seney: I guess I don't want to stretch the irony, but again, when you're working, say, with Bizz Johnson or Congressman McFall or Congressman [Craig] Hosmer or Senator [Thomas] Kuchel even, who I'm sure must have been . . . .

Gianelli: Oh, absolutely, you bet.

Seney: And Engle, we've mentioned.  
[Congressman John E. Moss] John Moss.

Then you're the beneficiary of that kind of relationship.

Gianelli: That's correct. That's right. Sure, that's right. That's right. But let me . . . One thing that I always felt with my California experience was that California had always demonstrated a more willingness to pay for things than the other states.

Seney: If I may, is this the only state that really has a significant water project?

Gianelli: It is. But even more than that, you can criticize the Bureau for the rates that they charge, but the water users . . . Like on flood control projects, the state always provided the land easements and rights of way and so forth and so on. So my perspective [discusses rain sprinkles and clouds outside], I didn't have the conscience pangs going to Congress for a California water project that I did some of the other states where it was nothing but a federal boondoggle. In other words, I felt in many of those cases it wasn't necessarily going to benefit a large group of people that should be benefitted, but it was largely to enhance the reputation of a congressman to get a project through, that he could say that he got through. I won't identify it, but there was one project, a flood control project in one of the eastern states, where the Corps wanted to build a flood control project which largely consisted of levy systems and so forth, and where the cost of the levies they wanted to

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build and the flood control works was more than the value of the land they wanted to protect. The senator jammed that project through.

Seney: And it got built?

Gianelli: And it got built.

Petershagen: I think we're starting to wind down now, Bill. I'm concerned about your day.

Gianelli: No, that's alright, I'll give you until noon. Then I've got to go. So another half-hour at most.

Petershagen: There are two or three questions that I still have in my mind, and one is that we've talked forever this morning about water, and I think I've heard you use the word "power" or "electricity" once in the course of this. Let me just say that I think there are a couple of significant differences between the State Water Project and the Central Valley Project, and one of those is, that the Central Valley Project is a power producer and the state project is a power consumer. Do you agree with that?

**“ . . . the state does produce a lot of power on the State Water Project, but it's not enough to take care of its pumping requirements, as opposed to the Bureau's projects which have maybe an excess of power over what their pumping needs are. . . . ”**

Gianelli: That's basically correct, although you can't quite make it that general. In other words, the state does produce a lot of power on the State Water Project, but it's not enough to take care of its pumping requirements, as opposed to the Bureau's projects which have maybe an excess of power over what their pumping needs are.

Petershagen: And the state marketed that power, I think it's fair to say, with the idea of "Let's find the highest bidder."

Gianelli: That's correct. Get the most out of it we can.

Petershagen: "And at the same time, what we have to buy to power pumps or whatever in other locales, we'll do that with the lowest bidder."

Gianelli: Right, exactly.

Petershagen: Are the two tied together at all?

**“ . . . what we tried to do . . . was to work the contracts so that the state facilities would be operated on a peaking basis so that we would get the highest value that we could for the power we had to market. And then. . . We would try to pump on off-peak by buying excess capacity that the utilities had so that we could get the pumping costs down as low as possible. . . .”**

Gianelli: Yes. When I came aboard, one of the things that we did in order to assist the general



obligation bond issue authorization we had was to sell revenue bonds. So Bill Warne had started it, and I finished it. We put together a power contract, for example, with PG&E and Southern California Edison and San Diego Gas [San Diego Gas and Electric Co.], which provided that they would buy all of the power output from Oroville-Thermalito Complex, and also some from San Luis, too. At the same time, we put through a power suppliers' contract which provided for certain of those utilities to supply power to the state so we had a combination. And what we tried to do, of course, with the state system, was to work the contracts so that the state facilities would be operated on a peaking basis so that we would get the highest value that we could for the power we had to market. And then the converse was true. We would try to pump on off-peak by buying excess capacity that the utilities had so that we could get the pumping costs down as low as possible. That was the basic arrangement we tried to work out. And I think it worked out pretty well, basically.

Petershagen: In naming the people you had as your principal assistants and staffers, who was your primary power guy?

**Bob Eiland and Ken Cummings Handled Power Issues for the Department of Water Resources**

Gianelli: Well, the power contracts were done under Bob Eiland, and I had a fellow by the name

of [J. K. Cummings] Ken Cummings, the head of the Power Department at that time, who was really very good, and another fellow, Fred Groat, who came on with the state. But Ken Cummings was . . . came from New York Power and Light. He had a lot of experience in power negotiations, and so I did that under Bob Eiland. But basically the power people were pretty independent and “can do” and operated through Eiland, as part of the financial arrangement that we had for the project.

### **Differences Between the State and Federal Projects**

There's one thing that I haven't covered and I want to hit, because it's very important, and that is the difference between the federal and the state projects. There are some very marked differences. Let me quickly cover those now. The federal projects are built with federal appropriations. The repayment comes from a variety of sources. It comes from your power sales. It comes from maybe a flood control allocation. It also comes from water sales to agricultural users largely. The sales to water agricultural users are based upon ability to pay.

**What “. . . that has meant is that the water used from the federal Central Valley Project has been pretty highly subsidized by the other uses. And whether or not the capital costs get paid back within a certain period of time is not critical in**

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**terms of the financial integrity of the federal  
Central Valley Project. . . .”**

So what that has meant is that the water used from the federal Central Valley Project has been pretty highly subsidized by the other uses. And whether or not the capital costs get paid back within a certain period of time is not critical in terms of the financial integrity of the federal Central Valley Project.

**In “. . . a report in ‘73 for the secretary of interior, I said I thought that the Bureau rates ought to be raised, because it’s not paying it’s way. . . .”**

And that’s why when I rendered a report in ‘73 for the Secretary of Interior, I said I thought that the Bureau rates ought to be raised, because it’s not paying it’s way. The water users ought to be paying more is basically what I said. Okay, that’s the federal system.

The state system is different. The state system, the Burns-Porter Act, says that the . . . .

Petershagen: I’ll have to stop you. I’m sorry, the tape’s controlling us again. So we’ll pick that whole thought up . . .

END SIDE 2, TAPE 2. JULY 28, 1994.  
BEGIN SIDE 1, TAPE 3. JULY 28, 1994.

Petershagen: Bill, you were contrasting the federal and

state programs.

Gianelli: Yes, I finished telling you about the guidelines or the rules that would govern a federal project.

**“The state project was entirely different. It was funded by a bond issue, basically, with some augmentation . . . The way the state project was designed and was committed in the Burns-Porter Act was that the water project beneficiaries would pay for all of the costs of the project so that it would not be a burden on the general taxpayer, unlike the federal project. . . .”**

The state project was entirely different. It was funded by a bond issue, basically, with some augmentation of the Tideland Oil Funds that were available from the Long Beach tideland oils. The way the state project was designed and was committed in the Burns-Porter Act was that the water project beneficiaries would pay for all of the costs of the project so that it would not be a burden on the general taxpayer, unlike the federal project.

**“In order to guarantee its integrity, the state entered into contracts with thirty-one water supply contractors throughout the state who had to pay the reimbursable costs of the project whether they got any water or not. So that made the rules of the game much tougher for a state water project than any federal project. . . .”**

And so that’s why we had so much trouble

when I became director of finishing the project because we knew it was short of funds. [Interruption for telephone call. Tape off momentarily.] So the state project . . . In order to guarantee its integrity, the state entered into [contracts with] thirty-one water supply contractors throughout the state who had to pay the reimbursable costs of the project whether they got any water or not. So that made the rules of the game much tougher for a state water project than any federal project. And so as a result, I have always been worried about protecting both the financial and the water integrity of the state facilities. Otherwise, if you can't deliver the water to the thirty-one water supply contractors when they need it to allow them to generate the tax base to pay the cost of the water then the whole project could go down the tubes and be a burden on the general taxpayers of the state. So I'd been worrying about this all the time, and so that's why I'm very concerned that the posture of it *now* is that the water supply is not adequate to meet the needs of the contracts which committed the state to do it, and query how long can those water supply contractors raise money to pay their share of the cost of the project without the project having to go to the general fund. So it made it very difficult.

**Federal and State Money Supported Flood Control  
and Recreation on the State Water Project, and  
Power Revenues Also Help**

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**Oral history of William (Bill) R. Gianelli**

Now there are certain non-reimbursables to the state project. We got \$80 million from the feds at Oroville for flood control. The power helps, of course, too.

**“ . . . by and large, the cost of water for the people who use it has got to be paid for by those users, and the cost for agricultural water in the Valley, for example, started out to be at least two or three times what the Bureau was charging. . . . ”**

And we got a certain amount of General Fund revenues for the recreation, but, by and large, the cost of water for the people who use it has got to be paid for by those users, and the cost for agricultural water in the Valley, for example, started out to be at least two or three times what the Bureau was charging. And that's why I felt that the Bureau—in my '73 report to the secretary of interior—that the Bureau should look at its computations of ability to pay because right next door in Kern County some of the agricultural users were paying quite a bit more under the State [Water] Project rules than the federal was paying, and therein lies the problem that will be talked about for some time I'm sure.

Seney: Were you hoping, perhaps, worried as you were about the viability of the state project and the bonds being paid back, that if the federal government raised their rates that the state could bump theirs up a little bit?

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Gianelli: Well, the state . . . They have to charge whatever it is. But what I *was* hoping . . . When I made the report for the Secretary of Interior in '73, I was worried because the federal project was not paying back into the federal treasury, hardly anything. In fact, I don't recall it was paying the O&M [operations and maintenance] costs. So it was my view that the Bureau ought to charge more for water, ought to look at its repayment policies, charge more for water, so that at least it would be paying back on some basis some of the money that the federal treasury advanced for those projects. And personally, I think that's why the Bureau got in trouble here with [Congressman] George Miller and those people, because they were so vulnerable by their charges of water that it made it appear that these were great subsidies which the water users were getting great benefits from. Then that gets into the acreage limitation, gets into the corporate farm issue, etc., and gets into what I think probably is one of the basic reasons why the CVPIA [Central Valley Project Improvement Act]<sup>11</sup> was

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11. "In one of its last actions of the session, the 102nd Congress passed multipurpose water legislation which was signed into law October 30, 1992. Previously referred to as H.R. 429, Public Law 102-575 contains 40 separate titles providing for water resource project throughout the West. Title 34, the Central Valley Project Improvement Act, mandates changes in management of the Central Valley Project, particularly for the protection, restoration, and enhancement of fish and wildlife.

"Ten major areas of change include: 800,000 acre-feet of water dedicated to fish and wildlife annually; tiered water pricing applicable to new and renewed contracts; water transfers provision,  
(continued...)

passed, was because of the atmosphere that had been established over the years that George Miller was able to capitalize on with respect to what he did.

Seney: When you say “George Miller,” you mean the younger George Miller who’s the congressman on the House Interior Committee?

Gianelli: Young George Miller, Congressman Miller. Yes, I do.

Seney: I want to go back. When you say “the state charges whatever it is,” that means the state must fund the bonds, (Gianelli: Yes.) so it must charge enough to pay the principal and interest as well as the operations?

Gianelli: Exactly.

Seney: Okay.

Gianelli: Exactly. They’ll pay the whole ball of wax.

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11. (...continued)

including sale of water to users outside the CVP service area; special efforts to restore anadromous fish population by 2002; restoration fund financed by water and power users for habitat restoration and enhancement and water and land acquisitions; no new water contracts until fish and wildlife goals achieve; no contract renewals until completion of a Programmatic Environmental Impact Statement; terms of contracts reduced from 40 to 25 years with renewal at the discretion of the Secretary of the Interior; installation of the temperature control device at Shasta Dam; implementation of fish passage measures at Red Bluff Diversion Dam; firm water supplies for Central Valley wildlife refuges; and development of a plan to increase CVP yield. . . .”

Source: <http://www.usbr.gov/mp/cvpia/index.html> accessed on September 10, 2010, about 11:15 A.M.



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They don't have any choice. And that makes the price of water pretty high.

Seney: What is the difference between an acre-foot for the two projects?

**“It was [i.e., cost] three or four times, at least, as much from the state project for agriculture [water] as it was from the federal project. . . .”**

Gianelli: Well, I can't remember the exact figure, but it started out, I think, with us charging about twenty-five dollars in Kern County per acre-foot and the Bureau was getting three-and-a-half down there. Those were rough. Now, I've not been in touch with it recently—both costs are different now—but that was the magnitude. It was three or four times, at least, as much from the state project for agriculture as it was from the federal project.

Seney: Let me ask a question. You characterized the Army Corps of Engineers in a sense . . . That is, sitting astride the Army Corps of Engineers, I mean, it was dealing with members of Congress, and even though you would tell them, “Don't do things,” you knew they would do them. You're talking about a kind of culture (Gianelli: Yes.) of that particular bureaucracy. And every one, I think, has a different culture and personality. How would you describe the culture and the personality of the Bureau of Reclamation, and how were they to deal with from your point of view?

### **The Bureau of Reclamation's Culture and Personality**

Gianelli: Well, the Bureau, remember, operates only in the western states, as opposed to the Corps operating in *all* of the states and overseas. So I always have viewed the Bureau as being stronger in the West, as, I guess, the Corps. But on a nationwide basis, it was just exactly the opposite.

### **Called from the White House about Jobs in Interior and the U.S. Army Corps of Engineers**

Let me tell you an interesting story. When Reagan was elected President, I got a call from the White House the day of his inauguration, saying that they had two jobs that they were interested in my coming back for, and would I come back for interviews? And one of those jobs was Assistant Secretary of Interior for, I think, Water and Power or whatever it was. The other was Assistant Secretary of the Army. So the White House said, "We will arrange a series of interviews for you to come back on those two positions."

### **Interviewed in February 1981 for the Two Jobs**

So I went back. They arranged a day—this would have been probably early February in '81—to come back. The secretaries were all in place by that time, you may remember, in the Reagan Administration, so they had an interview

arranged for me with [Secretary of Interior James G. Watt] Jim Watt to talk about the Assistant Secretary of Interior job. They had an interview with John Marsh, who was Secretary of the Army, to interview for Assistant Secretary of the Army for Civil Works, and then the arrangement was to come over to the White House and meet with [Reagan Chief-of-Staff Edwin] Ed Meese after my day with those interviews.

Seney: Whom you must have known well.

Gianelli: I knew them *all* well. I knew Jim Watt because he worked a little bit in the [President Richard M.] Nixon Administration. He was a deputy assistant secretary of interior, working for [Assistant Secretary of [the] Interior James G. Smith] Jim Smith. I *knew* Jim Watt because I was doing this other work that I was talking about, that I did in '73. So when I went back, sure enough, I interviewed with Jim Watt. Jim told me what his organization was. I had the feeling that if I had come back with him, he would rather have had me in a role as commissioner of Reclamation rather than assistant secretary. I don't know if he had anybody else in mind or not—talking about Jim now. But anyway, I finished that interview.

**“I went to interview with John Marsh, who I didn't know at all. I didn't know him, but remember, I knew Cap Weinberger, who was Secretary of Defense. And before I finished the interview with**

**John Marsh a call came down to his office from Weinberger saying, 'Have Bill stop up here before he leaves the building.' So I went up there and interviewed with him. . . ."**

I went to interview with John Marsh, who I didn't know at all. I didn't know him, but remember, I knew Cap Weinberger, who was Secretary of Defense. And before I finished the interview with John Marsh a call came down to his office from Weinberger saying, "Have Bill stop up here before he leaves the building." So I went up there and interviewed with him. In the meantime, before I went back there I'd talked to people like Pat O'Meara, who was in the organization that dealt with the Bureau and so forth, and he knew all of the Washington hierarchy.

**". . . it was clear to me that the White House would rather have me in the Army position than Interior . . ."**

And so when I finished my interviews—this is my perception I'm giving now—it was clear to me that the White House would rather have me in the Army position than Interior for several reasons.

**". . . it [Corps of Engineers] had a budget about three times the Interior budget. It was nationwide in its scope. It had these other things that were very sensitive: the Panama Canal and Arlington Cemetery who were important issues to them. . . ."**

First of all, it had a budget about three times the Interior budget. It was nationwide in its scope. It had these other things that were very sensitive: the Panama Canal and Arlington Cemetery who were important issues to them. So when I talked to Weinberger, who I'd known and worked with in California, it was clear to me that they weren't telling me I had to take that job, but it was clear to me that's what their preference was. I'd been a Corps officer in World War II. I worked with the Corps out here. I'd worked with the Bureau. So I said, "You know, I kind of like being in the Pentagon as far as that idea . . ." So I took that job, and that's what finally developed. But anyway, that's kind of an interesting interplay in terms of all of this thing. It's important to me in terms of how one's career develops and what you get involved in.

Petershagen: Bill, you've been certainly generous with your time today, and I think we're right about at the limit of that generosity perhaps.

Seney: I did want to ask one more question.

Petershagen: That's where I was leading, Don, so go ahead.

Seney: And that's the one I discussed with you when the tape was over. And that is, I'd like you to . . . You've just led into exactly what I'm interested in. I mean, here important

people have called you for an important job. “Get me Gianelli,” I suppose someone says, and this has happened frequently in your career as water director, going to appear before the legislature when these two gentlemen couldn’t agree on which of them should go, and I wonder if, at this point, you’d reflect for us on what has made you successful in this very different . . .

**“ . . . I’ve always felt is that engineers are too damned technical, and they get all tied up in the technical issue, and that is not what determines what happens in life today. And somehow or other the engineers have got to broaden their interests, their perspective, their influence, to other areas. And those other areas are the public area and the political area. . . .”**

Gianelli: I don’t know how much credit one can give to that. But one of the things that I’ve always felt is that engineers are too damned technical, and they get all tied up in the technical issue, and that is not what determines what happens in life today. And somehow or other the engineers have got to broaden their interests, their perspective, their influence, to other areas. And those other areas are the public area and the political area. And I guess my water right background propelled me partly into the legal area so that I wasn’t afraid. I’m not afraid of the lawyers. I’ll argue with a lawyer on any issue, and I’m arguing with them all the time. I’ve never been hesitant. A lot of engineers that I know are scared to

death of a lawyer. I'm not scared of a lawyer. I never *have* been, and I've had lawyers working for me, or I worked for lawyers.

So early on, I think, in my own lifestyle I probably wasn't the best designer, sitting down to design something or other, but I felt that I always had a pretty fair ability to communicate some of the things which were important in the technical area to the lay people and to the lawyers and to the legislature and to the Congress. And so I've kind of been pushed in that direction. I think more than anything else, if I have any ability, or have had in the past any ability, it's the ability to recognize the importance of those things in the scheme of things, to make things go, and to influence them or communicate with them in a way that reflects my engineering values. And so I don't know whether that's accurate. It sounds kind of corny. (Seney: Not at all.) But to me, that's what's happened. And I think the fact that . . .

Well, for example, I've always been critical of my own profession, that they don't do things in the public sector. Now, I don't know whether it's on my thing there, but I got the Hoover Award here a few years ago [refers to resume]. And the Hoover Award, if you read it, is given—and you look at the people who've had it—is given to an engineer who contributes, you might say, outside of strictly the engineering

profession. And one of the things that's happened to me is—and a lot of it's coincidence—that I got involved with outside interests. For example, when the governor appointed me to the State Personnel Board, you know, that's not an engineering job. But I was chairman of it, and by virtue of that, I was on the Public Employees Retirement System Board, which is not an engineering job. I've been involved . . .

**“I'm running a district now. I got elected president of a local district here. We're putting together a reclaimed water project, which we're going to be dedicating next month, to irrigate all of the golf courses in the area. . . .”**

I'm running a district now. I got elected president of a local district here. We're putting together a reclaimed water project, which we're going to be dedicating next month, to irrigate all of the golf courses in the area. I'm very proud of it.

**“. . . if I've had anything that opened doors for me, it's been my ability to take the engineering result and to communicate it and relate it to the public sector and to the legislature and to the Congress. . . .”**

So what I'm saying to you is that, I guess in reflection, if I've had anything that opened doors for me, it's been my ability to take the engineering result and to communicate it and relate it to the public sector and to the legislature and to the



Congress. And I'm really kind of proud of that. I badger my profession because so many of them are reluctant to step into that arena. But that's the world we're in today.

**“ . . . I have some strong views on that, and I don't consider myself to be an anti-environmentalist. On the other hand, I'll sit up and argue with them anytime when they try to tell me that the water projects have been bad for the environment. I don't buy that at all. And I'll argue with any of them right down to the wire on that issue because I don't believe it. . . . ”**

And of course, on the environment, that's another issue. And I have some strong views on that, and I don't consider myself to be an anti-environmentalist. On the other hand, I'll sit up and argue with them anytime when they try to tell me that the water projects have been bad for the environment. I don't buy that at all. And I'll argue with any of them right down to the wire on that issue because I don't believe it.

**“ . . . I've tried to aspire to . . . benefits I've tried to reflect are those which I feel are in the public interests . . . I don't apologize for any of the things I've advocated or any positions I've taken because I've tried to take them on the basis that I feel it's in the public interest overall . . . And what I feel right now is the vocal minority are having too damned much influence on our national policies or state policies which are acting against what I call the overall public good—the average guy. . . . ”**

And I believe that the things I've tried to aspire to over the years and the benefits I've tried to reflect are those which I feel are in the public interests, and I *still* feel that way. I don't apologize for any of the things I've advocated or any positions I've taken because I've tried to take them on the basis that I feel it's in the public interest overall or in the interest of the vast majority of the people versus the vocal minority. And what I feel right now is the vocal minority are having too damned much influence on our national policies or state policies which are acting against what I call the overall public good—the average guy.

**“It infuriates me that southern California doesn't muster its political support to change the Endangered Species Act so it doesn't screw up the State Water Project. . . .”**

It infuriates me that southern California doesn't muster its political support to change the Endangered Species Act so it doesn't screw up the [State] Water Project. I just wrote a letter down there to the person who heads the Southern California Water Committee and told him that. I said, “If you want to really do something to further water development and the water project mobilize your congressional delegation to change that Endangered Species Act so it doesn't foul up everything that's good for the people of California.” So anyway, that's my soapbox.

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Petershagen: Maybe you anticipated my final question.  
(Chuckle) If we just throw the microphone open to you, is there anything further that you'd like to say?

**“ . . .I'm very frustrated with what's happening in what I perceive to be the water community and the ability of the state to meet its water needs. And my perception is that the large amount of public good that has been done by water projects, or that *can* be done by water projects, is out of perspective in terms of some of the environmental issues . . . ”**

Gianelli: Well, the only thing, George, is I'm very frustrated with what's happening in what I perceive to be the water community and the ability of the state to meet its water needs. And my perception is that the large amount of public good that has been done by water projects, or that *can* be done by water projects, is out of perspective in terms of some of the environmental issues, for example, that are being raised now.

**“I can't see why a Delta Smelt that nobody ever heard of until about three years ago—it's in the Sacramento-San Joaquin Delta—ought to be controlling whether or not the state and the federal pumping plants operate to protect eighty percent of the population of the state. That doesn't make any sense to me. . . . ”**

I can't see why a Delta Smelt that nobody ever heard of until about three years ago—it's in the Sacramento-San Joaquin Delta—ought

to be controlling whether or not the state and the federal pumping plants operate to protect eighty percent of the population of the state. That doesn't make any sense to me.

And so what I am worried about now is the mustering of what I call the public interest by water users and by people who are interested in the public good to make certain that there's a balance between what I call the extreme environmentalist eco-freaks and the people who have a genuine need to be served water in California— whether it's agriculture or M&I. And I'm very disturbed at what I perceive to be happening by some of the municipal urban areas, to join hands with the extreme environmentalists to the detriment of irrigated agriculture.

As we talked earlier, irrigated agriculture does not have the political clout it did in California before reapportionment. And so now, the legislature, both houses, are dominated by population. And so I'm very troubled at what I perceive to be the role that agriculture finds itself *in*, because of the political processes that are taking place now between the urban people and some of the environmental groups. It's allowed agriculture to be put in a very unfortunate position, and what people don't understand is the importance of agriculture to the economy of the state. And when that thing hits home at some point in time in the future, when you dry up part of the San Joaquin Valley because it doesn't have

water, the economic impact of that is going to be felt everywhere in the state and throughout the nation. And I don't think that the public good will allow that to happen. But how you get from here to there I'm very upset about, and I'm very confused on. And I'm very troubled that we don't seem to have leaders, particularly in the political and the public sector, who are really willing to get up and fight for what I think is right in the public interest in terms of going along with what I call political expediency.

End of speech.

Petershagen: Thank you very much. I'm certainly not the most senior person in the Bureau of Reclamation, so I feel kind of funny saying thank you on behalf of the Bureau.

### **Received an Award from Commissioner Gil Stamm**

Gianelli: I've never felt any competition with the Bureau. I've worked with them off and on in both the private and public sector and I've enjoyed it. I got the Bureau's award here a few years ago—[Commissioner of Reclamation Gilbert] Gil Stamm gave it to me—and so forth. Right now I feel that the Bureau and the state are in the same ball game together against all these other bad guys that are giving them *both* trouble. That's the way I feel right now. And if you go over and stop at the San Luis Overlook,

you'll see a lot of stuff that ties into both projects. I'm very proud to have gotten identified with that pumping plant there.

Seney: The Gianelli Pumping Plant, right?

Petershagen: That's the whole San Luis issue and the Gianelli Pumping Plant, that's one of the issues we could have gone into that we didn't get to today, but . . .

Gianelli: Well, when you get all through, if you want to come back and talk again for another couple of hours, fine. But I'm sure you're probably worn out, too, with all that you've got to do.

Petershagen: Both Don and I certainly want to thank you for taking this time . . .

Seney: We appreciate it very much.

Gianelli: Glad to do it.

Petershagen: For leaving this information . . . For making yourself available to future researchers, too.

**“ . . . there are very few people that have had the opportunities to have the exposures that I've had, going back to Goodwin Knight's water committee. You know, that goes back a long way. And I'm not going to be around forever, and I would like to have the record show, however it can be shown, what happened in those days. . . .”**

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- Gianelli: What I feel is that, first of all, there are very few people that have had the opportunities to have the exposures that I've had, going back to Goodwin Knight's water committee. You know, that goes back a long way. And I'm not going to be around forever, and I would like to have the record show, however it can be shown, what happened in those days. Like this little argument that I was telling you about . . . When I told [California Director of Water Resources David N. Kennedy] Dave Kennedy that Senator George Miller, the State Senator, was a key player on the Burns-Porter Act and what happened to him on the passage of the legislation he couldn't believe it. I said, "Do you know that that 10,000 second-foot is in there from the Delta to San Luis because George Miller rammed it down our throat? That's why it's in there."
- Seney: Mr. Kennedy is the current Water Resources Director?
- Gianelli: Yes. He said, "I didn't know that." When I told him the Peripheral Canal is half constructed . . . Did you know that? Nobody knows that.
- Petershagen: That's right. Well, thanks very much, Bill. We'll close this right here.
- Gianelli: Okay, George.
- END SIDE 1, TAPE 3. JULY 28, 1994.  
BEGIN SIDE 1, TAPE 4. SEPTEMBER 23, 1994.

Petershagen: This is George Petershagen, continuing with the second portion of an interview with Bill Gianelli. Also on behalf of the Bureau of Reclamation is Donald Seney. Today's date is September 23, 1994. This is Tape 4, Side A. We should identify Mr. Gianelli again as formerly the Director of the State Department of Water Resources and Assistant Secretary of the Army for Civil Works. Mr. Gianelli has been in private practice and in a number of other positions having to do with water matters.

To kick this off, Bill, if we could take up with the kind of chronological approach that we loosely followed the last time. While you were Director of Water Resources for California, you were Chairman of the Western States Water Council?

Gianelli: That's correct, yes.

Petershagen: And during those years you weren't Chairman, you were also a member of it.

#### **Member of the Western States Water Council**

Gianelli: Yes, I became a member when I became Director of Water Resources. I became Vice Chairman for two years, and I think I became Chairman for two years toward the end of my career with the Department.

Petershagen: And what does the Western States Water Council do?



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**“ . . . the Western States Water Council was organized . . . back in the early ‘60s. It’s primary purpose was to allow the western states to express their views collectively on various water matters which were coming before the Congress and which involved certain policy considerations. It was to try to get them to act, wherever possible, in one voice so that they would be a more effective entity in dealing with the West’s water problems. . . . ”**

Gianelli: Well, the Western States Water Council was organized, as I recall, let’s see, back in the early ‘60s. It’s primary purpose was to allow the western states to express their views collectively on various water matters which were coming before the Congress and which involved certain policy considerations. It was to try to get them to act, wherever possible, in one voice so that they would be a more effective entity in dealing with the West’s water problems. And I think we were fairly effective in that area. We met, as I remember, quarterly, and we met in various areas of the West. The western states were primarily agriculturally-oriented, represented in the Council. And I think we developed positions that were expressed to the Congress and to other entities concerning the broad interests of the western states. And so it was composed of . . . Every Governor of the western states was a member of the Council, kind of an honorary member. And then there were three representatives from each state, and generally it was the water director or his

counterpart in each state and then maybe someone from the legislature in each state and maybe some other water leader. So it was a pretty potent group, and I was pleased with the association with that group of people.

Seney: One of the things that was going on when Mr. Reagan was governor and you were water director and Mr. Laxalt was the Governor of Nevada were negotiations over the Carson River Watershed and the Truckee River Watershed, and the distribution of water between California and Nevada, both those rivers originating in California. Were you involved in those?

#### **Negotiation Between California and Nevada of Compacts on the Truckee, Carson, and Walker Rivers**

Gianelli: Yes, I was involved. Those started, really, with the California-Nevada Compact, and during my early years with the state and my career years between 1946 and the time that I left, 1960, I represented the director and represented the state in many of those negotiations on the compact.

**“ . . . those things came to a head during the Reagan-Laxalt years . . . trying to figure out a way to allocate water between the two states that was fair and equitable. And the big hot issue, of course, was the Tahoe Basin, and others were the Carson and the Walker Basins . . . ”**

And, of course, those things came to a head during the Reagan-Laxalt years, if you want to call them that, and those discussions took place, trying to figure out a way to allocate water between the two states that was fair and equitable. And the big hot issue, of course, was the Tahoe Basin, and others were the Carson and the Walker Basins—I think they were also involved. (Seney: Right.) You know, during the Reagan years there was a lot of activity again with respect to that group and offshoots of that group, so I have some general familiarity of those compact negotiations.

Seney: Can you give me a sense of what the issues were that divided California and Nevada? And I should have mentioned the Walker, because it's involved there too—the same being true that the Walker originates in California and terminates in Nevada. The same is true of the Carson and the Truckee. Can you give me a sense of what the issues were on each of those basins?

**“ . . . the basic objective . . . to the compact was to try and take a limited water supply from those various streams and somehow or other to allocate them in a fair way to the two states so they can go ahead with future development. . . . ”**

Gianelli: Well, the basic problem, or the basic objective, I guess, if you want to call it that, to the compact was to try and take a limited water supply from those various streams and somehow or other to allocate them in a fair

way to the two states so they can go ahead with future development. One of the things that happened in the Tahoe Basin was that there was great fear that that would create a lot of other problems if you allowed unrestrained development to take place up there. And one of the limiting factors was the available water supply. And so the issue, basically, I think, in all of the basins, was to try and figure out a way to allocate the water to the two states in a fair way that allowed each state to go ahead and be able to plan for some future level of development.

Seney: How do you decide on those kinds of allocations?

Gianelli: Well, there were a lot of studies made to try to determine what the water requirements of each state would be in those areas, in those basins, etcetera, and studies in terms of the available water supply. And about that time Stampede Reservoir and some of the other facilities came into being, which were part of, I think, the overall problem and the overall solution. So it's difficult. In the last analysis, you really kind of arbitrarily try to decide what's fair in the way of an allocation.

Now, let me say, in the meantime, you've got these lawsuits that have come along. You've got the lawsuits, for example, by the Pyramid Lake Indians, and that problem on Pyramid Lake, which while

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it's very important, has been very important, it wasn't one of the early things that the compact was concerned about. But certainly, as a result of litigation that's taken place in recent years, it's emerged as a major problem, the Tahoe Basin, as to how you allocate the waters of the Truckee River—not only depending upon, like I say, the consumptive needs of the two states, but also how much water should be allowed to go down into Pyramid Lake for the Indians? Then you get involved with the argument with the Newlands Project over there, one of the oldest Bureau projects in existence. And so the thing has kind of taken a twist, I would say, primarily probably because of some litigation that's come along in recent years which has kind of acted to confuse the entire matter. At least that's the way it seems to me, looking at it from the side now.

Seney: Let me just ask one more thing: When you're, say, allocating water on any of these watersheds, I take it there's no formula everyone agrees on. It's a political question, and you negotiate back and forth and try to come to terms with whatever . . .

Gianelli: Well, you see, taking the Carson and the Walker, and to some extent, the Truckee, there are limitations with respect to certain uses that take place out of there—court decisions. For example, I can remember going down—I think it was on the Walker, or maybe it was the Carson—where each state,

under a court decree, uses water for one week at a time, and then it's shut off and goes to the other state. And one of my first jobs as watermaster, working back early in my career with the state as a civil servant, I used to go down and shut off the gates, or turn them on, in connection with the allocation of water under those court decrees. So what you have in each case was a court decree, largely which limited the water during, say, the irrigation season. It didn't deal with the surpluses that might exist in the winter and how you allocate those. So in all of the negotiations, you have, normally, an underlying court decree or some sort of litigation, which sets certain parameters during a portion of the year. But it didn't include *all* the water, because it was only related to the periods that water was being used, which was normally during the irrigation season.

Petershagen: If we could go back to the Western States Water Council for just a second . . . We are somewhat unique in California, I think we can agree, in that we have, in addition to the Central Valley Project and federal projects, we have this massive state project which largely *you* built. Did that make your relationship with these other state water guys in the Council different?

**In the Western States Water Council “it was my experience, right off the bat, that California was so far advanced from the other states in terms of what it had done to solve its own problems . . .”**

Gianelli: Yes, it did, very much so. It was sort of interesting. One of the activities of the council was for each state to reflect what it was doing in terms of its water problems and its solutions. And it was my experience, right off the bat, that California was so far advanced from the other states in terms of what it had done to solve its own problems, that most of the other states were more or less overwhelmed by what California had done. And so it was very interesting to me in my deliberations with the council to reflect some of the things that California had done.

**“ . . . the State Water Project is unbelievable to some of those other states, and it created an interesting situation because, I think, the other states looked to California, then, for experience in terms of some of the things that they wanted to do. . . . ”**

For example, the State Water Project is unbelievable to some of those other states, and it created an interesting situation because, I think, the other states looked to California, then, for experience in terms of some of the things that they wanted to do. And it was sort of interesting.

**Visited Oklahoma Several Times to Tell Them How California Authorized and Developed the State Water Project**

One of the things that came out of

that now, Oklahoma was not part of the Council, but they were fairly close to the West. And as a result of my experiences there, young Robert Kerr, who is the son of the senior [U.S. Senator] Robert Kerr, got me to come to Oklahoma, and they were trying to put together a state water project for the state of Oklahoma, and I made several trips there to tell them what we had done in California when we were building our project and how it was authorized. But they could never put it all together to get it to fly, but it was interesting because this indicated the interest that some of those other states had in what California was doing. So, yes, one of the things you kind of had to be careful of was that you didn't overwhelm the other states by what we were doing in California, which was hard not to do, because we had done so much. But I think that's why I became vice-chairman and chairman of the council. I think there was a recognition that California had done so much that their leadership would help the council in terms of experience and steering them in directions which they ought to be going. So it was a very interesting . . . I enjoyed the association very much. It was a very interesting job.

Petershagen: Now, about, I think, the time you left your position as director, you served on the Secretary of Interior's special task force to review some of the Bureau of Reclamation's policies for the West, (Gianelli: Yes.) which sounds to me like it must run hand-in-hand



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very much with this Western States Water Council.

**Served on a Secretary of the Interior Task Force to Look at Western Water Issues and the Bureau of Reclamation**

Gianelli: Well, it did in a way. Although it's my recollection that that task force was established to really look at some of the problems in California with some of the Bureau projects, particularly the Central Valley Project. So we pretty much concentrated on that, although some of what we came up with there might have been applicable to Bureau policies in other states, but it was primarily designed, I think, for California's projects and its relationship with the Bureau. And here again, the Bureau's extensive experience in California, extensive . . . You know, they took over the Central Valley Project from the state, when the state couldn't put it together back in the thirties, so the Bureau is a major player in California. Even more so, I think, than in other states.

Now, the difference in California was that the Bureau was one of, you might say, three major players. You had the state was one—Department of Water Resources—you had the Corps of Engineers, and you had the Bureau. And a lot of the other states would stay solely the Bureau or solely the Corps. Very little had been done by the states themselves. So the problems

that I addressed—I think it was during the period you just mentioned here, after I finished my directorship of water resources—was aimed, I think, primarily at some of the problems that were showing up in California. It was problems like ability to pay, whether or not the CVP was covering its operation and maintenance costs, whether it was returning any money as a result of the capital investment—these kinds of things. So it was really more or less related, I think, to the California projects of the Bureau, although there might be some applicability to some of the projects in the other states.

Petershagen: When you went into this special task force, I believe, from what we've talked about in the past, you found out that perhaps the CVP wasn't really paying its way, that it probably wasn't paying back any of the capital investment, and quite likely may not have even been paying for O&M. (Gianelli: That's correct.) So as a result of this task force, did that situation get corrected?

### **Disparity Between the Cost of State Water Project and Central Valley Project Water**

Gianelli: No. I think the task force was to report to the Secretary of Interior, and he may have looked at it and maybe tried to steer some things in certain directions, but I didn't detect a great change in Bureau policies. For example, one of the things that was troubling me . . . On the State Water Project, for example, we're selling water to

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Kern County from the State Water Project. The cost of water there was, I don't know, twenty-five dollars an acre-foot or whatever it was under the formula that the state had to use for full repayment. The Bureau was selling water right next door for three-and-a-half or four dollars an acre-foot. So part of that tied into the Bureau's computation of ability to pay and then the contracts. That ability to pay was important in terms of the dollars that they would pay. And I think one of the things I pointed out was there's something wrong in the system which allows the Bureau to sell water that cheap, and the people right next door, for example, have to pay several times that amount. So I think partly what I was saying there, it seemed to me that that example illustrated that the Bureau ought to take a good look at its pricing policies to see if it couldn't recover more of its costs of the first project services, so it at least approached what the state did.

**“ . . . the Congress . . . relieved the Bureau of collecting the interest component for irrigation. The state couldn't. It had to include it. So that probably made a difference of about fifty percent of the cost. . . . nevertheless, we still felt that the Bureau needed to take a look at . . . its policies with respect to ability to pay with the idea of perhaps changing its policy to recover more from the water users so it would help pay the costs of O&M and perhaps return some of the capital investments in these projects. . . . ”**

Now, let me quickly say that the Congress, of course, relieved the Bureau of collecting the interest component for irrigation. The state couldn't. It had to include it. So that probably made a difference of about fifty percent of the cost. But nevertheless, we still felt that the Bureau needed to take a look at—I think this is one of my conclusions—take a look at its policies with respect to ability to pay with the idea of perhaps changing its policy to recover more from the water users so it would help pay the costs of O&M and perhaps return some of the capital investments in these projects.

Seney: Even at twenty-five dollars an acre-foot, is that expensive water?

Gianelli: Well, it all depends. It's expensive for certain types of crops. It's expensive for alfalfa. It's expensive for clover where you flood and all that sort of thing. It may be expensive for rice where you have a very high water usage. It isn't expensive to high-value crops.

Seney: When you say "high-value," you mean . . .

### **High Value Crops**

Gianelli: Oh, I'm talking about orchards, citrus, avocados, row crops, strawberries—this sort of thing. They're a high-value crop, and so they can afford to pay a lot more. So anyway, the thing is interesting because if you take northern California—and I'm

talking about, say, north of Sacramento, particularly if you go quite far north—you have limitations of climate, for example, which have some influence on the types of crops that you can grow. When you get farther down the San Joaquin Valley and over into southern California those things don't apply. For example, you find very few citrus in what I call the northern part of the state because the climate is not conducive to it. You have a lot of citrus in southern California, high-value crops. The same thing is true with a lot of row crops like melons, strawberries, this sort of thing.

**“ . . . you have to be careful when you deal with this subject, and it's hard to say that twenty-five dollars [for an acre foot of water] is expensive or it's cheap. You almost have to relate it to the kind of crops . . . ”**

So you have to be careful when you deal with this subject, and it's hard to say that twenty-five dollars is expensive or it's cheap. You almost have to relate it to the kind of crops, for example, you can raise and the value of those crops to the person that's producing them.

Petershagen: Then just to finish this thing with the special task force, Bill, is it fair to say that in your mind, these problems still exist?

Gianelli: I think the problems continue to exist, yes. That's my judgement. They may have taken some cognizance of the recommendations

and the findings, but the problems still kind of persisted. And I have kind of an uncomfortable feeling that part of what instigated the CVPIA<sup>12</sup> was a result of the Bureau not having addressed some of those problems *earlier* because it fueled the fire for people who were saying that, for example, the large corporate farms are getting a big benefit from subsidized water and this sort of thing. My own view is that if the Bureau had really looked at that problem more seriously *earlier*, they probably wouldn't have fueled the fire like it was fueled in connection with the CVPIA and allowed that thing to go ahead the way that it did.

Seney: If I could ask something else about water use, a lot of arguments are made that the "cheap" water—I suppose that's CVP water, more than state project water—leads to irrigation methods and use methods which are wasteful. How would you . . . ?

Gianelli: Well, you have to be careful on that. One of the things that a lot of people don't understand—particularly the theorists, I think—is that in the Central Valley of California—for example, let's just take the rice-growers as an example—they divert a very large amount of water. But a good part of that comes back in as return flow, so it's not lost. It's not wasted. It comes back in as return flow and is available for subsequent use downstream. And the

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12. See text and footnote on page 107.

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districts that I'm familiar with—for example, on the east side of the San Joaquin Valley—one of the principal sources of water in the lower San Joaquin River is return flow from irrigation upstream. So you have to be careful when you talk about wasteful uses of water. And I've always felt that while certainly *some* economies can be provided if you use water more efficiently that you have to be careful in a generality that says if this district, for example, mends its ways and doesn't allow any water to get away from it, then that's a good thing. Well, what it may do is it may dry up a person downstream who was dependent upon that for years.

And the other thing is that very often, over irrigation, or irrigation generally, will replace the groundwater supply, and people lose track of that. So, you know, this matter of conservation is important, but it's out of kilter, it seems to me, with what the real facts are when you dissect them and figure out what the effect is of a conservation movement, for example, in some cases.

Seney:           So raising the price would not necessarily beneficially reduce . . . .

**“ . . . I don't care for the view . . . you can solve California's water problems by raising the price so that people will irrigate more efficiently and so forth because what that does is the first people that are going to fall off the vine are the 'cow county' economy in the northern part of the state .**

**. . . because the value of the crops are not very high there. . . . But nevertheless, it's important that you have a 'cow county' economy, in my judgement, to balance the state's overall economy. . . ."**

Gianelli: My basic belief is that California is a very diverse state, and I've said publicly that I think that the "cow county" economy in Plumas or Modoc or Lassen County is just as important to this state as raising avocados in San Diego County. So you have to be careful about raising the price. Sure, there's some people that can afford to pay a lot more. On the other hand, there are other people that can't. And so I don't care for the view that says you can solve California's water problems by raising the price so that people will irrigate more efficiently and so forth because what that does is the first people that are going to fall off the vine are the "cow county" economy in the northern part of the state, which can't afford to pay very much because the value of the crops are not very high there. The weather conditions, the soil conditions, the topography is such that you can't raise high-value crops. But nevertheless, it's important that you have a "cow county" economy, in my judgement, to balance the state's overall economy. So my view is that the water people . . . And I think the way the program ought to be worked out is to take care of the reasonable needs of all areas and that raising the price just doesn't solve the problem that I think we're all trying to solve.



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- Petershagen: If we could get you away from California for a few minutes, Bill, and get you back into your—I guess it’s fair to say—“second” career with the Army. (Gianelli: Yes. Good way to put it.) You went from a platoon leader to assistant secretary?
- Gianelli: No, I went up to a Major. In the meantime, I went up through the ranks of the Corps as a reserve officer in World War II. So it was kind of interesting to come back into the Corps in the position of assistant secretary.
- Petershagen: I would think for anybody that *has* served in the Corps, to come into a position like that would be something special for you, as opposed to, say Donald or myself—neither one of whom have served in the Corps at all—than going into that position.
- Gianelli: Well, it was. And maybe I said this in a prior interview, but when Reagan was elected president, the day that he took office, I got the call from the White House to come back and interview for two jobs. One of them was assistant secretary of interior and assistant secretary of the army. And I’ve got to say that, among other things, the fact that I’d had an earlier association with the Corps as an officer *did* kind of restore a nostalgic feeling, which probably had some minor influence in terms of where I finally ended up there.
- Petershagen: Now, along with your oversight of all civil works within the Army, within the Corps,

you also have responsibility for Arlington National Cemetery and the Soldiers' Home, in that position. I've left out Panama Canal Commission because I want to talk about that separately in a minute. And I've read, and I think I've heard from you, that that was kind of a point of pride that came with the job. (Gianelli: Yes it was.) Can you address that a little bit?

**At the Corps of Engineers Was Responsible for  
Arlington Cemetery and the Soldiers' Home**

Gianelli: Yes, you know, it's sort of interesting. When I took the job all we talked about was the Corps of Engineers, and I was quite surprised, as a matter of fact, when I got back to Washington to find out that I had these other responsibilities. I hadn't been aware of them when I talked to the White House about taking the job of Assistant Secretary. It was primarily the Corps of Engineers. That was the whole emphasis, and that's all we talked about. So it was very interesting to find that I had responsibilities in other areas.

**“ . . . I would guess I probably spent two-thirds of my time on Corps activity and maybe about a fourth or so on Panama Canal Commission and the rest on Arlington Cemetery. . . . ”**

I was trying to sort it out in terms of the time requirement in the ASA [assistant secretary of the army] job, I would guess I probably spent two-thirds of my time on Corps

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activity and maybe about a fourth or so on Panama Canal Commission and the rest on Arlington Cemetery. So those things were not major interests that I had, but they were important interests and were areas in which I felt very good about some of the things we were able to do in terms of those responsibilities.

Petershagen: Are there special offices or divisions within the Corps then that are responsible for those activities?

**“ . . . Arlington Cemetery and Soldiers’ Home were the only two cemeteries that are under the Department of the Army. . . . ”**

Gianelli: No, they were really outside of the Corps. They were really Department of Defense and Department of the Army activities. For example, Arlington Cemetery and Soldiers’ Home<sup>13</sup> were the only two cemeteries that are under the Department of the Army. They were not under the Corps. Now, the Corps provided certain works, but I related directly to the Secretary’s office in connection with that particular responsibility. [Tape off momentarily for

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13. The Soldiers' Home was established in 1851, as an "asylum for old and disabled veterans" in Washington, D.C. It has been known as the U.S. Soldiers' and Airmen's Home and is now the Armed Services Retirement Home—Washington, D.C., and is located on over 250 acres west of North Capitol NW and south of Rock Creek Park. See <https://www.afrh.gov/afrh/> and <http://www.defense.gov/specials/heroes/history1.html#top>, accessed on September 10, 2010, about 3:45 P.M.

incoming telephone call.]

### **Arlington Cemetery Activities Reported Directly to the Secretary of the Army**

Okay, getting back to Arlington Cemetery, the activity there was carried on directly with the Secretary of the Army's office and not the Corps per se. It wasn't something that the Corps had any responsibility for.

**“One of the big things I got involved with was the eligibility for burial in Arlington Cemetery, which was a very hot issue. . . .”**

One of the big things I got involved with was the eligibility for burial in Arlington Cemetery, which was a very hot issue. There are certain guidelines that allow burial of certain people, certain qualifications. And there are all these efforts made by others to be buried there when they weren't eligible. And so it was my job to recommend to the Secretary whether some of those things be granted or denied. And it was always a touchy political thing because a lot of the requests came from staff on The Hill or Congressmen on The Hill who wanted somebody buried there that really weren't eligible.

**“. . . the other thing that was really interesting was the identification of a Vietnam Unknown. . . . So we went through a long, laborious process of trying to find an eligible candidate for burial there,**

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**which took two or three years. Some opposition, particularly from the MIA group . . .”**

And the other thing that was really interesting was the identification of a Vietnam Unknown. We had a place in Arlington Cemetery for the Unknown Soldier's grave for a Vietnam Unknown, and there hadn't been any identified. So we went through a long, laborious process of trying to find an eligible candidate for burial there, which took two or three years. Some opposition, particularly from the MIA group, who felt that if we put in a Vietnam Unknown there then the United States would abandon their efforts to recover other remains in Vietnam. So it was a very interesting thing, and I felt really good when we were able to put that together. And it was very difficult and very sensitive. A month before I left we were able to do that. We put a Vietnam Unknown in the Unknown Tomb there, which was provided for him there. So that was very interesting.

So the activity with respect to Arlington and the Soldier's Home was a very interesting one. It was completely outside of my Corps activity, but one I enjoyed very much.

Seney: Can I ask this one? How much room is left in Arlington Cemetery?

**“There is room. . . until . . . 2020, for land burials. But what we've done is to provide columbariums**

**there, and that's taken a lot of pressure off because there's plenty of space in the columbariums . . . They've acquired some additional land so there's some opportunity there.**

. . .”

Gianelli: There is room, I think, until well after the turn of the century, 2020, for land burials. But what we've done is to provide columbariums there, and that's taken a lot of pressure off because there's plenty of space in the columbariums for anybody that's eligible. And the land burial . . . They've acquired some additional land so there's some opportunity there. So I think there won't be any problem until maybe the middle of the next century in terms of running out of space at Arlington for folks.

Seney: Columbarium would be cremation?

Gianelli: Yes. Yes. They're buildings with niches in them. They're on the grounds of Arlington. They're down in a special area. I think we built the first one while I was there, and before I left, I think we had a second one designed. At least there are two big buildings there now for that purpose.

Petershagen: The Soldiers' Home, you said, also was not under the Corps? That was another . . .

**“I had very little to do with Soldiers' Home. I went up there a number of times, . . . and I think our budget handled them for the Army. . . . and it was something I detected people were very protective**

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**of, particularly the Congress, of the Soldiers’  
Home. . . .”**

Gianelli: All of the other national cemeteries are under the Veterans Affairs, except those two: Soldiers’ Home and Arlington. I had very little to do with Soldiers’ Home. I went up there a number of times, visited the area, and I think our budget handled them for the Army. But there were not very many problems connected with the Soldiers’ Home itself. There was a small golf course there, which I don’t think I ever got to play, but it was in a nice area of Washington, and it was something I detected people were very protective of, particularly the Congress, of the Soldiers’ Home.

Seney: Why is Arlington under the Department of the Army, when the others are all . . .

Gianelli: The only reason that I can think of is that it’s such an important thing in terms of the history of the country. We have two presidents buried there, and if you go through Arlington, it’s almost like going through a history book, seeing the graves of the former leaders and, for example, where the [battleship] *Maine* . . . There’s a mast of the *Maine* where all the people that were killed in the battle of that were buried there. When the astronauts had the accident, they’re buried there together.<sup>14</sup> So it’s a

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14. January 27, 1967, explosion during ground-based testing of an Apollo vehicle killed Astronauts Virgil Grissom, Edward H. White, and  
(continued...)

very interesting place. The only reason I can really think of is that it's such a sensitive area and so important in terms of the history they didn't want to delegate that away from the Army. So it's very much a part of the Department of Defense and Department of the Army activity.

Petershagen: I believe it started with the takeover of the [General Robert E. Lee] Lee Plantation after the Civil War. (Gianelli: Yes.) It started with property ownership there as much as anything. And then for the reasons that Bill has pointed out, I think anybody that wanted to change the system probably ran into those obstacles.

Gianelli: I don't think it'll ever be changed. And I think it's good, because we've been able to do some things. One of the other things that I did . . . Well, we'll get to this later, perhaps . . .

Petershagen: This is a real good time to stop, Bill. Otherwise, the tape is going to stop by itself.

Gianelli: Alright, go ahead.

END SIDE 1, TAPE 4. SEPTEMBER 23, 1994.  
BEGIN SIDE 2, TAPE 4. SEPTEMBER 23, 1994.

Petershagen: Bill, we were discussing Arlington and the Soldiers' Home and so forth.

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14. (...continued)  
Roger B. Chaffee.



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**OMB Agreed to Allow Construction of a Visitors' Center at Arlington Which Removed That Activity from an Area That Interfered with Funeral Activities**

Gianelli: Yes. One of the other things that happened during my term back there in Arlington, was the agreement with the Office of Management and Budget [OMB] to allow funds for the construction of a visitors' center. The visitors' center that was at Arlington was a temporary facility, built after World War II. It wasn't designed to be a permanent facility, and, as a result, it was not located in a proper location. And the problem was that the visitors interfered with the ten or twelve funeral services that were held each day in Arlington with the processions and the people that came there for the burials. So I was able to get a commitment from OMB to provide the funds for the building of a visitors' center. As a matter of fact, the shovel that's on the wall [indicates ceremonial shovel mounted on the wall] is the shovel which was given to me when the ground was broken for the construction of the visitors' center, and it's now completed. Right up as you come off the bridge on the drive going into Arlington Cemetery is the visitors' center, which is apart from where any conflict would be with the funeral services. So that was one of the other things that was kind of fun to put together.

Petershagen: Alright. Anything else along that line?

Gianelli: I think that pretty well covers Arlington. It was intriguing to me because foreign dignitaries very often, in their visits to Washington, would go up and put a wreath on the Tomb of the Unknown. And I had an opportunity then, being in charge of Arlington, to participate in a lot of those ceremonies. I always found that very enjoyable, and we always had a special ceremony: Easter Service at Arlington Cemetery, a big thing on Armistice Day. And so a lot of the public activities that took place at Arlington were of great interest to me, and I participated in quite a number of them and got the chance to meet a lot of people from foreign countries and participate with foreign dignitaries for parades and that sort of thing.

Petershagen: Alright. And then, of course, there's the Panama Canal Commission, which came along with the job, correct?

### **Panama Canal Commission**

Gianelli: It came along with the job, the way that it was orchestrated at that time. Now, it's been changed. But at time it was programmed in a certain direction. You have to remember the Panama Treaty was signed by [President Jimmy Carter] Carter, I think in 1978. The Panama Canal Commission came out of that treaty, and it was formed, I think, in 1979. And the Commission only held about two or three meetings before I came in in 1981. So the

Commission had just gotten underway. The way that the Congress set up, the way the treaty was enacted, provided for five members from the United States to be on the Commission and four members from Panama. And one of the five members from the United States was a representative of the Department of Defense. And in the administration before, in the Carter Administration, when the treaty first came into being that was delegated to the Secretary of the Army from the Secretary of Defense. And the Secretary of the Army redelegated to the ASA—Assistant Secretary of the Army—for Civil Works, as the Department of Defense representative on the Panama Canal Commission. And also, at the time the Commission was set up, the Commission voted—and I think it was a policy—to have the Department of Defense representative as the Chairman of the Commission. And so when I came aboard it was delegated down from the Secretary of Defense to the Secretary of the Army to me to be the U.S. representative on the Commission, and I was elected or appointed or however it came about to be the chairman of the commission. And that held during my eight years that I was on the Panama Canal Commission.

Petershagen: Now, as the Chairman, while during that tenure, is there anything notable that you'd care to discuss?

Gianelli: Yes. The commission was very interesting. First of all, it was set up as an independent entity, and while one of the committees of Congress, the Merchant Marine Committee, had oversight responsibility, it was an independent entity. We had a secretary of the commission who resided in Washington, and he had a small staff and his function was to provide a liaison with the Congress and to do what we had to do in the United States. He was the Secretary of the commission. The manager of the commission was a retired three-star general, Philip McCauliffe, who had been appointed by Carter to be the administrator of the Canal Commission down in Panama. General McCauliffe had been the Southern Commander down there before he retired, and he retired and took over as a result of an appointment by President Carter as the administrator of the commission. So when I came in the question was should Reagan— he was a Presidential appointment—should Reagan appoint his person to be administrator of the Panama Canal. And I went to bat for Phil McCauliffe and was able to convince the White House staff, personnel people, and White House generally, that it was to their advantage to keep General McCauliffe in that job. He was a professional soldier, retired, had a lot of experience in the area, and I thought had done an excellent job. And I prevailed and was able to do that. We did replace the other members of the commission. They were all presidential appointees, and so, after I got in, over a

period of time we replaced all of the other four members of the commission from the United States with representatives from the United States.

So we met four times a year, three times in Panama, and one time in the United States. The meetings generally lasted the good part of a week by the time we went down to Panama and got back. And, being an engineer, it was particularly interesting to me because the Panama Canal is truly one of the wonders of the world in terms of an engineering feat. And so I used to try to, as an engineer, spend some time out on the canal every time I went down there, either on one of the tugs which ushered the ships into the canal, or I would go out on one of the pilot boats and come in and go through a partial transit through the canal.

**Had to Deal with People Who Wanted to Undo the Jimmy Carter Treaty That Turned the Panama Canal over to Panama, but Had Instructions from the Ronald Reagan White House to Implement the Treaty**

So it was a very interesting assignment to me, and I enjoyed it very much. We had a lot of problems, and there was still a lot of animosity to the commission and to the treaty. One of the problems I had right off the bat was when I became a Reagan appointee as chairman of the commission, there were a lot of the people who opposed the treaty who said,

“Now we have a Republican President. We have his appointment as the chairman of the commission. We want to, in effect, basically try to undo it.” Well, it was kind of clear, and I had instructions from the White House that while President Reagan in his earlier campaign opposed the treaty that now that the treaty was a fact it was my job to administer it in accordance with the provisions of the treaty, in accordance with the law, and do as efficient a job as I could in terms of administering it so that it operated to serve world-wide commerce. And I think we were able to do that during my tenure as chairman.

Petershagen: If you could quantify it at all, about how much of your job was that?

Gianelli: I'd say, if you looked at it from time standpoint, I'd say at least a fourth of my time. In terms of its importance, probably at least a third, I think.

Seney: There is a documentary filmmaker named Frederick Wiseman who made a film on the Panama Canal Zone. Have you seen that film?

Gianelli: I have seen . . . And I have some here, even, some of the documentaries on it. I saw one . . . Let's see, I'm trying to remember who put it out. I have seen, from time-to-time, documentaries on it, and a lot of publications written on it.

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- Seney: That one doesn't stick in your mind?
- Gianelli: That one specifically doesn't stick in my mind, but I've seen a lot of them.
- Petershagen: That pretty much brings to an end, I think, tracing your career . . .
- Gianelli: One final comment on the commission. It did involve the Corps of Engineers.

**“ . . . the Corps of Engineers provided certain staff service to the commission in terms of their dredging responsibilities. We had a lot of trouble, always keeping the canal open, in terms of slides and siltation, so we used the Corps' expertise a lot in connection with the commission responsibilities. . . . ”**

Now, the Corps of Engineers provided certain staff service to the commission in terms of their dredging responsibilities. We had a lot of trouble, always keeping the canal open, in terms of slides and siltation, so we used the Corps' expertise a lot in connection with the commission responsibilities. And the Corps was paid for it under arrangements that were worked out for it. So, in a way, it kind of tied in to my responsibilities as ASA, but not directly. It was something which I brought the Corps in on, by virtue of their expertise, to work on some of the problems of the Canal because the Corps originally was responsible for making certain that the Canal was built in the first place. We took it over from the

French, and the Corps of Engineers came in and basically finished that. It's a great monument to the Corps.

Seney: In your position over the Corps, as head of the Corps, I guess—I'm not quite sure how to put it—as part of your responsibilities, did you deal much with the Bureau of Reclamation in Washington?

**Headed a Task Force for Regulatory Reform of the 404 Permit Process That Included the Bureau of Reclamation**

Gianelli: Yes. One of the things that I did right off the bat, the White House put me in charge of a task force on regulatory reform. I was the chairman of the task force, and on that task force was Gary Carruthers, who was the Assistant Secretary of Interior, that had the Bureau of Reclamation under him at that time. There was the number two lady, as I remember her, in the Department of Justice, Carol Denkins. There was the number two person in EPA [Environmental Protection Agency], John Hernandez. Then there was John Crowell, who was Assistant Secretary of Agriculture that had the Soil Conservation Service under him. So in that capacity, I dealt with the Bureau in terms of trying to carry out some of the goals of the administration on simplifying the red tape and the regulatory processes that were involved. And largely it involved the Corps 404 process, which at that time allowed EPA to, at every level, create delays and so



forth. And so one of my jobs was to try and renegotiate memoranda of understanding with all those agencies in connection with the 404 process, and the Bureau was a very important player in that connection.

**Did away with the Water Resources Council that “We felt in the administration it was a superfluous agency. . . . we were able to abolish that group that had been in effect for several years, but which we felt hadn’t done anything and largely became a depository for reports . . . .”**

And the other thing that I got involved with very much was the policy of the administration on authorizing new projects, guidelines for new projects. And, also, I worked with Jim Watt on doing away with what was the Water Resources Council. We felt in the administration it was a superfluous agency. And so I worked with Jim Watt, and between the two of us we were able to abolish that group that had been in effect for several years, but which we felt hadn’t done anything and largely became a depository for reports, which under the law, the Bureau and the Corps had to refer over there to the Council, and nothing ever happened with them. So yes, we worked very closely.

**“One of the things that I was *not* successful on . . . . I wanted to establish for the Corps certain guidelines in terms of authorization of projects and who would pay how much, for example, on different parts of a project, and their**

**authorizations. I wanted a formula, for example, where it was dictated what M&I would pay, what agriculture would pay, what flood control would pay, and all those sort of things. . . .”**

One of the things that I was *not* successful on, and that we had a little problem [with], was I wanted to establish for the Corps certain guidelines in terms of authorization of projects and who would pay how much, for example, on different parts of a project, and their authorizations. I wanted a formula, for example, where it was dictated what M&I would pay, what agriculture would pay, what flood control would pay, and all those sort of things. And to that extent, I wanted the Corps to have a process which allowed during the report phase in particular to be subject to certain criteria which they hadn't been subjected to which I felt would eliminate a lot of useless reports which the Corps was spending a lot of money on. And Jim Watt and I didn't fully agree on that. He wanted the Bureau projects to be looked at on a case-by-case basis without confining them to a predetermined set of formulae on cost sharing and things like that. So we ended up with a little problem in that area, and I don't remember to what extent it was resolved. I think the Bureau still continued to do their thing, but I was successful in getting the Corps to modify their procedures to where I felt it made a lot more sense than it had in the past.

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- Petershagen: Anything else involving . . .
- Gianelli: No. Let me just say that during that period, relating again to the Bureau, the Bureau reorganized and changed their water policies in terms of who was responsible for them. Gary Carruthers went off in one way, and the fellow that was commissioner was from Nevada. What's his name, do you know?
- Petershagen: The three of us are giving each other blank stares!
- Gianelli: He started out as the commissioner of Reclamation, and then about half-way through the Reagan administration, was appointed an assistant Secretary with new duties that had been assigned. He took over . . . . Oh!
- Petershagen: It's probably more embarrassing for us than it is for you, (laughs) because we should know this!
- Gianelli: I'll think of it.
- Petershagen: We'll insert it at this place in the interview transcript.<sup>15</sup>
- Gianelli: Anyway, and then I worked with him later in the final term. But all I wanted to mention was that the Bureau or Interior reorganized its water activities, somewhere about half-way through my term back there, which changed the responsibilities. And

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15. Robert (Bob) N. Broadbent.

while I dealt with Gary the first time, then I ended up dealing with another assistant secretary later on.

Seney: How would you characterize, generally, the problems of dealing with, on the one hand, the California Legislature, which you dealt with extensively, both when you worked with Governor Brown and as director of water resources, and dealing with the Congress of the United States as assistant secretary?

Gianelli: Well, one of the things that I found—and this is sort of interesting—I think I reflected that in what I said of the Corps in an interview—was that when I was director of water resources, I really felt I was in control in terms of the department's policies, what they did, what they studied and everything. I really felt I had it under control, and I felt the staff responded to my control. When I got back in ASA, no such feeling. What I found out was the Corps, with all of its offices around the United States, dealt very closely with the Congress directly, not through the ASA.

### **Problems Dealing with the Congress and Field Offices of the Corps**

One of the issues that I got in trouble in, right off the bat, was, I had put out a directive that anytime one of the district or division engineers of the Corps would have any contact with a member of Congress they

would let me know. And they didn't like that because they had a very cozy relationship. And one of the things I found out was that very often the corps district offices would respond to a legislator's request for a study that he wanted for his constituents, which maybe didn't make any sense from an overall standpoint. And so one of the things I tried to do was to revise the Corps' policy in that regard, so that all of these studies and reports which the Corps made over a long period of time, had a chance of implementation—not just satisfying some congressional representative's desire to show his constituency he was doing something for them. So I ran into a buzz saw. So what I'm saying to you there is, that while theoretically I was in charge of the Corps, I found out that the Corps had sort of an independent relationship with the Congress that they worked to the advantage of each of them. For example, I tried to abolish a Corps division office, I think in New York, and I really caught hell on that. And I'm sure what happened was that some of the Corps staff went to the Congress and said, "Hey, this is important in terms of the State of New York. Don't let him do that." So they put a rider on an appropriation act that kept me from doing it.

**“It was much more difficult in Washington getting control of the Corps than it was in Sacramento getting control of the Department of Water Resources. . . .”**

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**Oral history of William (Bill) R. Gianelli**

So what I'm saying to you in response to your question: It was much more difficult in Washington getting control of the Corps than it was in Sacramento getting control of the Department of Water Resources.

Seney: You just didn't have that kind of interference from assembly members or senators here in California?

Gianelli: No, and the Congress had staff which were much more knowledgeable, devoted full-time to the efforts of the congressmen and so forth. So the staff had a relationship with the Corps at the field level which I couldn't undo. So it was much more difficult. And I might say I never did feel that I had control back there, and I don't think any other ASA would either—have control of the Corps, for example, as I had in California—by virtue of what I've just said.

Petershagen: Let me just say by way of sharing information with you and to validate your comment that I have spoken to people within the Corps along this line, "What did you think of this fellow Gianelli when he was running the show?" And the recollection is that—and some people say this in a pejorative sense, and some people say it in a very complimentary sense—"Hey, this guy from California came back here and thought he was in charge of something."

Gianelli: Yes. Right. Exactly!

Petershagen: It kept them in a state of upset.

Gianelli: That's right. That's a good way to describe it. It's sort of interesting, the Chief of Engineers, right after I got in, was Vald Hyberg. Vald came up through the ranks of the Corps. My effort on cost-sharing—particularly reports—met with a lot of hostility, and cost-sharing and so forth. But it's interesting, after I left, my successor, Bob Dawson—who I brought in as my deputy, and served as my deputy for four years—was able to get through the Congress the very things that *I* tried to do that the Corps fought me on. And finally the Corps came around and recognized that it was to their benefit to move in some of those directions. And so that's what finally happened, but a lot of it happened after I left.

### **Mount St. Helens Issues**

So I can understand the Corps' resentment, "Here's a guy coming in . . ." But see, I was different. For example, I would question the Corps on some of the projects they wanted to build. For example, one of the big arguments I had with them was on Mt. St. Helens. What would you do for the remedial work on Mt. St. Helens? The local people wanted the Corps to build a massive reservoir up there to hold all of the silt that was coming down. Well, I'd looked

at it and I said, "Well, look, before we spend all of that money, maybe it would be cheaper, for example, to dredge the channels for a few years until everything stabilizes." Well, I fought that battle and I lost it, basically, except I *did* get a modification of the design to where it was much more moderate than what the Corps had originally planned. But what happened was the Corps worked with the delegation, both the senators and the congressmen up there, and I just got plowed under on that thing. And so, you know, that's one of the things illustrative of the problems that you had.

But I still felt that coming into the Corps I had a background which I felt I wanted to express, and I wanted to use to influence the Corps. Because I felt with the Corps as I felt with the Bureau. I felt there were certain things that could be done in the Corps to improve their operation. Now, maybe some of them weren't politically viable, but nevertheless, I felt they should be done just as I did with the Bureau. And I really felt that coming in with the Reagan Administration and their views on simplification, trying to shave some of the costs of government and all that stuff, that this was one of the things that I should try and do. And I had great support from the administration. I never had any problem with the White House, never. But I sure as hell had a lot of problems with the Congress in the field and their relationship with the Corps in the field.



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- Seney: When you say “coming in with the background you had,” you mean having been a Major in the Reserve Corps?
- Gianelli: No, having been a water engineer. The experience with the Corps was as an Army officer.
- Seney: Was that useful at all to you?
- Gianelli: Sure it was useful because the whole time I was in the war I was in the construction arm of the Corps of Engineers, and we were building airfields and water supply facilities. So what I did was very interesting and certainly was helpful in terms of my career, but my *main* career in water started after I left the Army in 1946.
- Seney: But I suspect having been an officer in the Corps must have given you some credibility in the Corps.
- Gianelli: I think so. I think they felt I was one of their people in effect. I think the Corps . . . I’m guessing that the Corps was enthused when I got the appointment, but not so enthused after I got there. (Laughter) But I didn’t have any axes to grind. I just felt that I had certain beliefs on what ought to be done in improving the efficiency of governmental organizations. I felt that I could smell when a water project was a dud and when it was good. And I felt it was my job to try and see if I couldn’t make those things work better.

I had a hell of a lot of trouble. One of the big problems I had, for example, was on navigation with the Corps. They had a system there, with all of the barge companies and everything and all those people down the Mississippi, that had been in place for years and years. And when I came in and tried to get those users to start paying for something, boy, that was a radical approach for me to be taking. And I was moderately successful, more or less after I left. But, again, I'm only reflecting. And I'm not saying this with any animosity. I'm saying it as my belief of what the situation was and what happened when I got back there.

Seney: Well, the Corps is a very *old* organization, and as such, probably very hard to change would you say?

**“ . . . there was some talk of merging the water agencies of government, the Bureau and the Corps. And it's my judgement the Corps didn't want that to happen and was responsible for the Congress turning it off . . . ”**

Gianelli: Very difficult to change. It's got its hierarchy. It's got its beliefs. It's got its success story. One of the things that was interesting, there was some talk of merging the water agencies of government, the Bureau and the Corps. And it's my judgement the Corps didn't want that to happen and was responsible for the Congress turning it off for the same reason

that I was just telling you about. They've got this network, not [only] in the western states—the poor Bureau is limited to the western states. The ~~Congress~~ [Corps] is not limited to the western states. Gosh, they've got all *fifty* states in their pocket, in effect. So when you have a plan come up to diffuse a fifty-state organization in favor of twelve or eighteen western states or however many there are now, you know, the Corps has a lot of influence. And the administration can want to do something, but the Congress is pretty tough to get it through.

Petershagen: Is there any final statement you'd like to make, Bill, to kind of close out this segment?

**When He Left as Assistant Secretary after Four Years the Reagan Administration Supported Legislation That Permitted Him to Remain as Chairman of the Panama Canal Commission for Another Four Years**

Gianelli: No. The thing that was interesting to me was, when I wanted to leave after the first term of the Reagan administration—I wanted to come back home—Weinberger, who was the Secretary of Defense at that time, asked if they could put through some legislation which would allow me to stay on as the Chairman of the Panama Canal Commission, would I be willing to do that? And I said if I could do it from California, I would. And, by golly, they did! They put through legislation at the last minute which

authorized me to stay on as Chairman of the Commission at the pleasure of the Secretary of Defense. And that's why I stayed on another four years, even though I wasn't . . . Because the original law said you had to be an executive of the Department of Defense. Well, when I left my ASA job, I was no longer an executive. So this legislation allowed me to continue on until I resigned then in 1989. So that's the way it worked out. So I continued my Panama Canal Commission activities after I left the ASA job for a period of four years.

Petershagen: And did that apply specifically to you, or would that enable somebody else . . . .

Gianelli: It applied solely to me. The thing has gone back now to where the United States representative on the Commission now happens to be the Undersecretary of the Department of [the] Army, but he's no longer chairman. They elected one of the other members as the chairman of it, so the thing has changed a little bit.

Petershagen: Now, if we could come back to California water issues. (Gianelli: Sure.) One of the areas we didn't get into, just because of time with the last interview, is the whole San Luis Project, (Gianelli: Oh yes.) which is . . . Let me start it out this way. In my mind, it's an area where Bureau water mingles with state water; where agricultural water mingles with M&I water, and, to a degree, it's state-of-the-art. You've got

pump-storage capacity there. It just seems to be the ultimate project in that it includes a little bit of everything we try to do with water resources. So maybe you could start with just kind of giving us a short version of how it works.

**The San Luis Unit of the Central Valley Project and the State Water Project, Formerly Known as the Feather River Project**

Gianelli: Let me talk a little bit about San Luis. You know, when the state project was first conceived, it was called the Feather River Project, and San Luis was not included as part of that project. It was Oroville and taking water out of the Delta and taking it south and west.

Petershagen: And the Feather River Project, just that name alone, implies a much more limited thing.

**“ . . . it was apparent to the state that it needed some off-stream reservoir capacity to make the system work. And so that’s when the idea came along to have the state and the federal government join hands, and to build the San Luis [Dam and Reservoir] to a much larger capacity than the Bureau had originally envisioned building it. . . . ”**

Gianelli: That’s correct. But when the final report was prepared on the project, leading up to the Burns-Porter Act, it was apparent to the state that it needed some off-stream

reservoir capacity to make the system work. And so that's when the idea came along to have the state and the federal government join hands, and to build the San Luis [Dam and Reservoir] to a much larger capacity than the Bureau had originally envisioned building it.<sup>16</sup>

**“So an agreement was entered into between the Bureau and the state, which allowed it to be built as a joint federal-state facility, and the state would own and pay for fifty-five percent of it and the Bureau, forty-five percent. . . .”**

So an agreement was entered into between the Bureau and the state, which allowed it to be built as a joint federal-state facility, and the state would own and pay for fifty-five percent of it and the Bureau, forty-five percent. And I'm very proud of that arrangement. To me, it eliminated the competitiveness between the two organizations, and it allowed them to enter into a cooperative arrangement, which I think has been of great benefit to both projects. And the way that thing has been operating is that you can put the Bureau water in San Luis using the state pumps or vice versa.

**“They can trade capacity . . . having the system**

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16. It also required construction of the San Luis Pumping-Generating Plant, now known as the William R. Gianelli Pumping-Generating Plant, that pumps water up from the state and federal canals into San Luis Reservoir and then generates electricity when water is taken out of the reservoir..

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**interconnected the way it is so the Bureau can pump into it. The state can pump into it through independent canals. The state has a large canal, 10,000 cfs capacity, which is from the Delta. The Bureau is limited to it's Delta-Mendota capacity, which I think is 5,000 or maybe 6,000 [cfs] now. . .**

They can trade capacity, and while they each have a certain capacity that's allocated to them by virtue of their participation, it's really worked, I think well, for both projects, having that facility there and having the system interconnected the way it is so the Bureau can pump into it. The state can pump into it through independent canals. The state has a large canal, 10,000 cfs capacity, which is from the Delta. The Bureau is limited to it's Delta-Mendota capacity, which I think is 5,000 or maybe 6,000 [cfs] now.

**“ . . . there are times when there's surplus water in the Delta you can use the full state capacity of the pumps to pump water in there for both projects and have it available in San Luis. And I think that's going to be even more valuable as restraints are put on the pumping operations in the Delta . . . ”**

So there are times when there's surplus water in the Delta you can use the full state capacity of the pumps to pump water in there for both projects and have it available in San Luis. And I think that's going to be even more valuable as restraints are put on

the pumping operations in the Delta, is to utilize the full capacity of both those systems to fill up San Luis for future subsequent use.

Petershagen: Is it fair to say then that San Luis really acts kind of as a surge volume that allows both the projects to work *to* capacity?

**“ . . . it allows you to have two million acre-feet of storage available to both projects that can be put there from surplus flows in the Delta or winter high flood flows . . . So if you didn't have San Luis, the Bureau and the state would be severely restricted in terms of supplying their customers during the dry season of the year . . . ”**

Gianelli: It does. And what it does, it allows you to have two million acre-feet of storage available to both projects that can be put there from surplus flows in the Delta or winter high flood flows that you wouldn't be able to put there during other periods. So if you didn't have San Luis, the Bureau and the state would be severely restricted in terms of supplying their customers during the dry season of the year when you didn't have flows in the Delta which allowed the pumps to operate.

Petershagen: Let me interrupt you right there. Whenever it gets good we have to change the tape!

END SIDE 2, TAPE 4. SEPTEMBER 23, 1994.  
BEGIN SIDE 1, TAPE 5. SEPTEMBER 23, 1994.



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Petershagen: Bill, on the previous tape we had started to address San Luis a little bit. There are probably a thousand questions we could ask about it, but could we start maybe with the acreage limit?

Seney: Before we start, let me ask something that you two obviously understand, but I know less about this. Maybe if I don't, others who will read this don't. When you say that the dam has capacity to pump water back in, do you mean not in just the forebay, but you can bring water back up into the dam through a pump system?

**“The Delta-Mendota Canal is at a lower elevation than the State’s canal. So what happens is, the water has to be pumped from the Delta-Mendota Canal into the forebay, and then the forebay into the big reservoir. The State’s system is a higher elevation, so it comes directly from the delta pumping plant into the forebay, and then it’s pumped into San Luis. So each system gets the water into San Luis Reservoir in a different way. . .**

Gianelli: Well, here’s the way the system works. The Delta-Mendota Canal is at a lower elevation than the State’s canal. So what happens is, the water has to be pumped from the Delta-Mendota Canal into the forebay, and then the forebay into the big reservoir. The State’s system is a higher elevation, so it comes directly from the delta pumping plant into the forebay, and then it’s pumped into San Luis. So each system gets the water

into San Luis Reservoir in a different way. The Bureau, by way of the Delta-Mendota Canal and its own pumping plant, then the joint pumping plant which is named after me into the big reservoir. So that's the way the system works, so that at any one point of time, either one of those systems can be used, fully, to replenish the water in San Luis Reservoir. (Seney: Okay.) That's the way the system works. As I recall, the pumping capacity at San Luis is such that it can take the maximum amount of water that comes into the forebay and pump it into the reservoir. As it lets out, it generates power.

**“ . . . the general pattern, if you had your druthers, would be to pump into San Luis at the off-peak hours, at night when power is cheap, and then let it out into the forebay during the daylight hours when you have peaking power requirements, and the value of power is high. So it works out pretty well from an economic standpoint . . . ”**

So that the general pattern, if you had your druthers, would be to pump into San Luis at the off-peak hours, at night when power is cheap, and then let it out into the forebay during the daylight hours when you have peaking power requirements, and the value of power is high. So it works out pretty well from an economic standpoint, you see.

Seney:            So you get the margin off that?

Gianelli:        You bet.

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Petershagen: The way I was trying to approach this line of questioning is to begin with the acreage limitation. Well, let's just ask the "yes or no," I guess: Is the federal water that flows through there subject to the Reclamation Act acreage limitations?

**San Luis Unit Water Users Are Subject to the  
Acreage Limitation, but the State Project Water  
Users Are Not**

Gianelli: Oh yes! Yes, you see, the Bureau project . . . That's one of the differences between the Bureau project and the state project. The Bureau project can get water interest-free for irrigation, but it's subject to the acreage limitation. The state water pays the full interest component, but it's *not* subject to the acreage limitation, and therein has lain a problem between the two projects over the years. But yes, the federal water that goes in, and that the federal Bureau has control of at San Luis, is subject to the acreage limitation, absolutely.

Petershagen: Doesn't this complicate all of the bookkeeping?

Gianelli: Well, the bookkeeping doesn't have to get involved with the acreage limitation. It only has to deal with the projects. In other words, putting the water in there is a Bureau and a state function.

**"Now what each one of them does with that water  
is not a function of who puts water in there or**

**how it's put in there. It's how it's used out of there. And each agency doesn't have any control over the other, in terms of how the other agency uses its water. It's used under the formula of which water is theirs. . . ."**

Now what each one of them does with that water is not a function of who puts water in there or how it's put in there. It's how it's used out of there. And each agency doesn't have any control over the other, in terms of how the other agency uses its water. It's used under the formula of which water is theirs. They can use it however they want.

**". . . the state supply, then, goes into the state canal, and it goes down eventually to Kern County and southern California. . . ."**

So the state supply, then, goes into the state canal, and it goes down eventually to Kern County and southern California. The Tulare Lake Basin is the first turn-out, I think, then Kern County, then over the hill. They both go through the Dos Amigos pumping plant, which is just south of San Luis.

**". . . the Bureau's water largely is served to the Westlands Water District [and to the San Felipe Project to the coastal areas]. I think part of it now can be used to meet the exchange contract obligations, too. . . ."**

Then the Bureau's water largely is served to the Westlands Water District [and to the San

Felipe Project to the coastal areas]. I think part of it now can be used to meet the exchange contract obligations, too. But, you know, what the Bureau does with its water is its business, and it has to—under the problems of the acreage limitation—has to comply with those limitations with the water that it takes out of San Luis for serving to the CVP, with the exception of the exchange contract.

### **The Exchange Contract Recognizes the Senior Water Rights of Water Users along the San Joaquin River**

Now the exchange contract is another complicating aspect of the thing, because the exchange contract is a recognition of the prior water rights of the people along the San Joaquin River, whose water was intercepted at Friant and was diverted in the Friant-Kern-Madera Canal. So their prior-right water probably doesn't have any relationship with the acreage limitation, *but* the supplemental contracts that the Bureau has with those same people for CVP water *is* subjected to that, and that's a Bureau problem.

Petershagen: All of these things just seem like they were designed by lawyers . . . . (Laughter)

### **Endangered Species Act Issues in the Delta**

Gianelli: You know, the thing that's been good about it, to me, is that that San Luis operation has

required the state and the Bureau to really work closely together, and they have. They've worked as professionals to make those systems operate the best that they can from an engineering standpoint, which I think is great. And right now, the two of them are struggling with the Endangered Species Act and the restraints of the Delta, and they're both having a difficult time. But they're together, and they're on the same side.

Petershagen: I think that's the real issue I wanted to address with regard to San Luis. So, Don, is there anything else you want to address on this?

Seney: Let me go ahead and ask you about the dealings with the Congress from here in California. I know that some of this is going to be stuff that you dealt with directly when you were Water Resources Director under Governor Reagan, but your knowledge goes on beyond that and precedes that, as well, in terms of members of Congress, the personalities, the relative standing of them in the Congress, which is very important, and also the divisions among the California Congressional delegation. I'd like you to just, if you could, give us your perspective on all these things.

Gianelli: I would guess, reflecting back, I got involved with the Bureau in two ways, I guess, early on. The first time I was involved in the administration of water

rights. And the way I got involved there was that when I came into that job in water rights there was a dispute between the Bureau of Reclamation and at that time the state engineer's office in California on where and how the CVP water would be used. And the water rights that the CVP needed for its project were originally filed by the Department of Finance as a custodian for, eventually, the people who would build those projects. Those water rights had not been assigned to the Bureau for the Central Valley Project when I was involved. They were assigned while I was there.

**“ . . . there was this conflict that existed . . . I think the state engineer was wanting to be sure that the Central Valley Project would serve those areas which the state had in mind when it originally planned the Central Valley Project. . . . ”**

But there was this conflict that existed, that I picked up, between the state engineer and the Bureau of Reclamation. The Bureau regional director was [Richard] Dick Boke, B-O-K-E, at that time, and the state engineer was Ed Hyatt. It was finally resolved, but I think the state engineer was wanting to be sure that the Central Valley Project would serve those areas which the state had in mind when it originally planned the Central Valley Project. So at any rate, that was my first involvement, so I got deeply involved there, and I was involved with the transfer of the state-held water rights that were held in trust for the project to the Bureau of

Reclamation. That was my first involvement.

### **Negotiating the Sacramento River Water Contracts**

My next deep involvement was after I left the state in 1960, and one of the things that I did . . . I was a private consultant, and I worked with John Luther who represented the Central Valley users along the Sacramento River. And I negotiated . . . I was part of a three-man team with George Basye, who was the legal counsel, and John Luther, who was the person representing all of the interests there, basically, in negotiating contracts with the Bureau on a water rights settlement and supplemental contract for Sacramento River water, with all the water users, except, I think, Glenn-Colusa [Irrigation District] at that time along the Sacramento River.<sup>17</sup> And during the period I was in private practice, that seven or eight years, those contracts were all negotiated. So I was deeply involved in those negotiations with the Bureau. Ed Sullivan was one of the people that was involved on behalf of the Bureau, and Gil Stamm, before he became Commissioner, was involved with those contracts. So I was deeply involved with the Bureau at that time, in those areas.

### **Worked with San Joaquin County on Auburn Dam and the Folsom South Canal**

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17. See the footnote at page 58.



The other capacity that dealt with the Bureau was I was hired by San Joaquin County as their water consultant. And I was also on the Auburn Dam Committee that was headed by Bill Cassidy at that time, in which Congressman Johnson had a big interest. And so I worked very closely with Congressman Johnson in terms of the legislation that put together the Auburn-Folsom South Canal. And in 1965, when those projects were authorized, I was the prime witness. I went back on behalf of San Joaquin County and the Auburn Dam Committee, but I was the principal witness that testified before the House committee that was holding hearings on that project at that time.

#### **Worked with Members of Congress Bizz Johnson and John McFall**

So I was deeply involved with Bizz Johnson, in particular, who is the one who represented that area where Auburn Dam would be located and was also in a key position on the House Interior Committee. So I worked very closely with him.

#### **Working on New Melones Reimbursibility and Water Quality Downstream**

The other one that I worked very closely with, the other project, was Congressman McFall on the New Melones Project. And working with John McFall and

the San Joaquin County interests, we were able to put together an arrangement there for the first time whereby a storage allotment was made in New Melones on a nonreimbursable basis for water quality purposes downstream. And the Bureau, who would ultimately be the operator of that project—the Corps would build it, the Bureau would be the operator of it and the marketer of the water—had to release certain quantities of water to meet a water quality standard of 500 parts per million TDS at Vernalis, which was to be taken from the allocation of storage at New Melones.

Also at that time, when New Melones was authorized, there was a conflict that had developed between the Oakdale and South San Joaquin Irrigation Districts and PG&E, who wanted to build a smaller New Melones Dam<sup>18</sup> at the location. And that all got involved with the authorization of New Melones for the additional storage capacity that was finally put in there. So, at any rate, primarily as a private consultant, I worked very closely in both of those projects, particularly with Congressman John McFall, who represented San Joaquin County, and Bizz Johnson, who represented the northeast part of the state.

Seney: When you say you worked closely with them—a lot of phone calls?

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18. Correction offered by Gianelli during the editing process. The statement on the tape is “. . . wanted to build a larger Melones Dam . . .”

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- Gianelli: A lot of phone calls, a lot of meetings, a lot of negotiations on behalf of our clients with respect to the project, a lot of work with the Bureau and the Corps on the projects themselves, trying to secure such modifications as would be necessary to get the projects authorized through the Congress.
- Seney: Talk a little about each of them, if you would, in terms of what they were like to work with, how knowledgeable you felt they were on water issues, how maybe open-minded . . .
- Gianelli: You're talking about the legislators?
- Seney: I'm talking about Johnson and McFall.
- Gianelli: Well, Johnson was, of course, coming from the area that he did . . . You have to remember that Bizz Johnson started out his political career, as I recall, as mayor of Roseville. That's where he lived. Then he ran for the state senate, and I worked very closely with Bizz Johnson when he was a state senator. He was on the State Water Committee, and he was a state senator when the Burns-Porter Act was authorized. So I knew Bizz before he ever went to Washington and had worked closely with him with respect to the problems in his area. We worked on Folsom Dam—the authorization and the work that was done there. We worked on flood control. So before Bizz ever went to Congress, I had an

intimate acquaintance with him and had worked closely with him.

So when he went back there, in his position on the Interior Committee of the House of Representatives, it was sort of a natural sequence. Bizz sort of counted on me as an engineer to do things that were important to his clients in terms of their needs from a project and at the same time to work with the Bureau in each case, or the Corps, and get those things through that were important to his people and getting the project authorized. So it was a very close relationship, and Bizz and I . . . He attended some things that were given for me. I attended things that were given for him on a personal basis. And I knew he and Aubra—Aubra was his wife—very well. So by virtue of these things, we had a personal relationship. Shirley and Aubra were good friends.

Seney: Shirley being Mrs. Gianelli?

**“So we had . . . a very close—both professional and personal—relationship, and I was very fond of Bizz. . . .”**

Gianelli: Mrs. Gianelli. When we went back Aubra took Shirley under her wing and went to some of the various congressional wives’ meetings. She took Shirley along. So we had, I would say, over the years, a very close—both professional and personal—relationship, and I was very fond of Bizz.

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Seney: How would you describe him as an individual?

### **Bizz Johnson and the Central Arizona Project**

Gianelli: Low-key, extremely effective, honest, friendly, tough under the conditions that required that—particularly as interests involving his people. He went to bat on that Colorado River legislation—he worked with [U. S. Senator] Carl Hayden and [Congressman] John Rhodes from Arizona, on that Colorado River legislation. It was largely through Bizz that we got the Reagan Administration to support the Central Arizona Project and get that legislation through. Bizz was a major player in that scenario.<sup>19</sup>

Seney: Why don't you talk a little bit about that. You kind of talked a little bit before we put the tape on today, about the Central Arizona Project, and how holding that up had an impact on California.

Gianelli: Well, Bizz, of course, worked closely with the Arizona delegation, particularly John Rhodes, Mo Udall, and Carl Hayden.

Seney: A powerful delegation.

### **“So Bizz . . . McFall was too . . . became frustrated**

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19. The Central Arizona Project was included in omnibus legislation authorizing many western water projects: the Colorado River Basin Project Act of September 30, 1968. Public Law 90-537, 82 Stat.885.

**at their inability to get California projects authorized because of the stalemate on the Central Arizona Project, and those Arizona legislators in particular held up the legislation on these projects in California. . . .”**

Gianelli: Powerful delegation! And Carl Hayden was in his later years, he was failing, but he was a potent force. So Bizz, early-on, by virtue of his association, I think McFall was too at that time—they were all major players in the water issues in California—became frustrated at their inability to get California projects authorized because of the stalemate on the Central Arizona Project, and those Arizona legislators in particular held up the legislation on these projects in California.

Seney: Until they got what *they* wanted.

Gianelli: Yes, exactly.

Seney: Which was?

**“ . . . the Central Arizona Project . . . limited the southern California diversions to 4.4 million acre-feet . . . California had been diverting far in excess of that. So I think southern California viewed the Central Arizona Project legislation . . . as a threat to the water which they historically had received from the Colorado River and would receive in the future. . . . we were able to put it through by virtue of, I’d say, the California delegation working with the [Governor Ronald] Reagan Administration.**

**One of the greatest compliments I got from Reagan was . . . to credit my role. . . I was looked**

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**upon with great suspicion by some of the people in southern California as playing a major role in getting the Reagan Administration to buy into what the delegation felt they needed in order to get the California projects underway. . . .”**

Gianelli: Which was the Central Arizona Project. And keep in mind that the Central Arizona Project, as part of it, limited the southern California diversions to 4.4 million acre-feet, as I recall. So then California had been diverting far in excess of that. So I think southern California viewed the Central Arizona Project legislation, which allowed the Central Arizona Project to go through, as a threat to the water which they historically had received from the Colorado River and would receive in the future. So this was the problem. And we were able to put it through by virtue of, I'd say, the California delegation working with the [Governor Ronald] Reagan Administration.<sup>20</sup> One of the greatest compliments I got from Reagan was, after that legislation was passed, to credit my role, which got me a certain amount of unpopularity in southern California, working with Bizz and the rest of them to get the Central Arizona Project through. I was looked upon with great suspicion by some of the people in southern

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20. Ronald Wilson Reagan (February 6, 1911 – June 5, 2004), was the 33rd Governor of California (1967–1975) and the 40th President of the United States (1981–1989). He began his show business career in 1932 in radio and by 1937 was in movies. His last show business work occurred in 1965, by which time he was active in politics. See: [http://en.wikipedia.org/wiki/Ronald\\_Reagan](http://en.wikipedia.org/wiki/Ronald_Reagan), accessed September 13, 2010, at about 5:00 P.M.

California as playing a major role in getting the Reagan Administration to buy into what the delegation felt they needed in order to get the California projects underway.

Seney: Now, [Congressman Bernard F.] Mr. Sisk represented southern San Joaquin County . .

Gianelli: He was from Fresno.

Seney: Kern County?

Gianelli: No, he didn't go as far as Kern County. There was [Congressman] Harlan Hagan, as I recall, who represented Kern County. No, Bernie was the central part of it. He would have been the San Luis Service Area, for example. He would have been the Madera Canal. Friant would have been in his area. But the tail-end down in Kern County would not have been Bernie's area.

Seney: I take it, in this compromise with the Arizona forces over the Central Arizona Project, I don't know if "steamrolled over" southern California is kind of the right way to put it, but . . .

Gianelli: I think that's the right way to put it. I think when the state administration, the Reagan team, got together with the valley Congressmen, putting it bluntly, they plowed under the southern California intransigents who were able to frustrate the Central Arizona Project legislation. I think



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that's right. I mean, that's putting it bluntly, but I think that's what happened.

Seney: And that *had* to happen in order for this to occur.

Gianelli: It had to happen in order to break the stalemate that we had in California. It had to happen. Otherwise it would never have gotten through other projects.

Seney: And the southern California people were what, from your point of view, intransigent over these matters?

**“ . . . my view was, that it was more important to settle the stalemate so that we could get some other California projects underway than it was to hang tough and hold out for more water for southern California. . . . ”**

Gianelli: Well, my view was, that it was more important to settle the stalemate so that we could get some other California projects underway than it was to hang tough and hold out for more water for southern California. [Aside about coffee service.]

Seney: And again, the Arizona delegation was powerful. Not only did you have Senator Hayden, who was the most senior member of the Senate—and I think, am I right in remembering that he had represented Arizona since it had been a state?

**Senator Carl Hayden “was ninety years old when**

**he passed away, I think. And his last year or two there was a question about how much he knew about what was going on, but he had some able assistants on his behalf, and when it was necessary, he voted the right way. . . .”**

Gianelli: Very near! He was ninety years old when he passed away, I think. And his last year or two there was a question about how much he knew about what was going on, but he had some able assistants on his behalf, and when it was necessary, he voted the right way.

Seney: And Mr. Rhodes, the Republican in the House, was part of the House leadership.

Gianelli: You bet. And Mo Udall was coming along fast.

Seney: Was he Interior Committee Chairman at this time?

Gianelli: Who?

Seney: No, he came along much later. I’m trying to think—the sequence of the chairmanship of that committee. Who did Bizz get it from? No, Mo came along after Bizz. I don’t think John Rhodes was ever Chairman. Craig Hosmer was another key player on that committee. He was from southern California. He was the one we had to contend with.

Petershagen: Earlier, Bill, you mentioned . . . . Well,

you've said several times, "California projects being held up until the Central Arizona Project was authorized." Could you illustrate for us what these California projects were.

**California Projects and Continuing Appropriations Held up Pending Approval of the Central Arizona Project**

Gianelli: Well, I can't recall all of them, but I think New Melones may have been one of them that was caught in that. We got Auburn-Folsom South authorized in '65, which is a little bit before this period that I was talking about. We got that through.

What else would have been cooking on . . . (Pause) I'm not sure. I can't identify now just exactly which ones we had that were cooking at that time. But it had to do with continuing appropriations, too, in addition to new projects. There was a lot of activity going on in respect to the Delta. San Luis, I think, was behind us at that time.

**"The Central Valley congressmen felt that it was thwarting their efforts to carry forth some of the programs they felt were important. . . ."**

But, anyway, that was the tenor of the thing at that time. The Central Valley congressmen felt that it was thwarting their efforts to carry forth some of the programs they felt were important.

Petershagen: If I could, at this point, Don, let me ask one more question about New Melones. You alluded to it in our previous interview, Bill. Let me just ask you the question straightforward. Why did the Corps build that as opposed to it becoming a Bureau project?

**“ . . . during the Truman Administration, there was this conflict between the Corps and the Bureau—who would build what? . . .the way it was resolved was that the Corps would build certain projects, but turn them over to the Bureau, and Folsom was one of those, and New Melones was another one . . . I think that satisfied both of them, by and large . . . ”**

Gianelli: Well, I think the arrangement . . . Do you remember—well, you probably don’t—but during the Truman Administration, there was this conflict between the Corps and the Bureau—who would build what?<sup>21</sup> (Petershagen: Right.) It was worked out at that time—I think they were designated—the way it was resolved was that the Corps would build certain projects, but turn them over to the Bureau, and Folsom was one of those, and New Melones was another one—that the Corps would build them, but would turn them over, once they were built, to the Bureau. I think that satisfied both of them, by and large, because the Bureau was interested in what happened to the water, what happened to the power. The Corps was more interested in physically building

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21. See further discussion on page 68.

the projects, designing and building them.

So that was all worked out many, many years ago, I think during the Truman years, on a compromise arrangement: who would build what and who would eventually succeed to the marketing of the water and power.

Petershagen: New Melones was not *named* as a part of this compromise?

Gianelli: Well, I can't remember which projects were specifically named, but it was understood that certain projects would be built by the Corps and would be turned over. Among those that come to my mind right off the bat were Pine Flat, which came under that formula, New Melones, and Folsom. Auburn—nobody knows where it is and what it is right now, but it would not be in that category—it was authorized as a Bureau project all along, as I remember. But anyway, those were three, and probably others, but those are the three big ones that I can remember.

Seney: Let me go back to talking about the members of the House of Representatives—or the Senators as well—but first in terms of House members. Did you ever have any trouble getting them to focus their attention on these water issues, or did they fully understand the importance of them in their districts?

**“The delegation both in the Senate and the House were great on water issues. . . . Those men were all pretty well lock-step in terms of the water issues. . . .”**

Gianelli: The delegation both in the Senate and the House were great on water issues. There was a lot of leadership there, represented by Hosmer—was a Republican, but he was a very important person on the committees and so forth—Bernie Sisk—on the Rules Committee, very important person on water—John McFall—very important—John Moss—very important. Those men were all pretty well lock-step in terms of the water issues. And at that time, we had Tom Kuchel in the Senate. He was great! He was very responsible for getting the Trinity project . . . involved, you know, in bringing the water over from the Trinity River. We had a lot of leadership.

**“. . . from a water standpoint we had leadership that I don't think has existed in the water area since we lost those people. . . .”**

So I would say, from a water standpoint we had leadership that I don't think has existed in the water area since we lost those people. We just haven't had such leadership! I don't see anybody that's as prominent in the water area now. The only person that I can see that's strong on water issues is [Congressman] Vic Fazio. Vic is on the Appropriation Committee and can do a lot, but he's not a Bizz Johnson, and he's

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not a Bernie Sisk.

Seney: What do you mean when you say that?

Gianelli: Well, Vic didn't come up through the water area. He first represented, until they did reapportionment, areas around Vallejo and those areas. He was interested in the Department of Defense and the Navy because of their installations there. Since reapportionment, now, he's up representing a good part of the agricultural area in the Valley, so it's very important to him now. So Vic . . . And I know Vic very well, worked with him closely. He's a fine legislator. He's a leader. He's coming on strong in terms of influence, but he's not a water person like John McFall or Bizz Johnson or Bernie Sisk.

Seney: He doesn't "have it in his veins," in other words.

Gianelli: He doesn't have the background. He doesn't have the interest. He's all we've got now in some of the things that are going on basically, but he's not one of the people that I just got through talking about in terms of his interest and background in water.

Seney: Johnson came through the authorization of the State Water Project *in* the Legislature. (Gianelli: Yes.) Was that true of Sisk as well?

Gianelli: No, Bernie was in the Congress . . . I don't

even remember Bernie being in the legislature. If he was, I don't remember it. But I sure remember Bizz. I think Bernie was back there before Bizz, and I think so was McFall. I think Bizz was much more recent than either of those two people, who, as I remember, almost started out their career in the Congress. I don't recall . . . Maybe I'm wrong. Maybe they both were in the legislature, but I don't remember them. But I *sure* remember Bizz.

Seney: They were, in any case, around and active when the water project was . . .

Gianelli: Well, they were involved in federal projects from the very beginning.

Seney: Did you regard it as a real loss when [Congressman Eugene Chappie] Gene Chappie beat Bizz Johnson?

### **Gene (Eugene) Chappie**

Gianelli: Yes. You know, that created a great problem for me personally. I knew Chappie when he was a county supervisor. I worked with him very closely.

Seney: In El Dorado County.

Gianelli: El Dorado County. And I was a personal friend of his, but I was also a personal friend of Bizz's. And when that election came out I filmed a documentary for Bizz, and Gene never forgave me for that. Then when he



beat Bizz, and I went back as a Reagan appointee . . . He was back there then—he came back at that time—and it was a very uncomfortable thing for me. We parted, I think, pretty good friends after a while, but it was pretty strained because when I got back there, my secretary didn't know him—it was his first term, I think—and he called up one day, and my secretary answered the phone, and he said, "I want to talk to that wop. Where is he?" And my secretary—I wasn't there—said to me, "I got the strangest call." I said, "Well, tell me about it." So she did, and I said, "Oh, I know who that was. That was Gene Chappie." But he never let me forget the fact that I, in effect . . . Well, at least in their eyes, I campaigned for Bizz over him. And it was a very uncomfortable thing. I think eventually I was able to work with Gene while I was back there, and we did some things mutually that were helpful.

Seney: Now you and Gene Chappie were of the same political party.

Gianelli: That's correct. Well, you've got to go back and remember that I was a registered Democrat when [Governor] Reagan appointed me [Director of Water Resources]. I kept that until I finished my term with Reagan. When I left the Department of Water Resources, when I moved down here [Pebble Beach], I changed my registration down here. But I think I was always viewed as part of the Republican

team, which I really felt that I was, with the exception of my relationship with these people, who were all Democrats.

Petershagen: I'm going to have to interrupt you two guys right here.

END SIDE 1, TAPE 5. SEPTEMBER 23, 1994.  
BEGIN SIDE 2, TAPE 5. SEPTEMBER 23, 1994.

Petershagen: Don, I'll just let you continue.

Seney: What I'm trying to suggest, I guess, is that you must have made the judgement that Congressman [Bizz] Johnson was so important to water. I guess maybe I'm trying to put words in your mouth. Was that your judgement, or on what basis did you *make* this documentary for him?

### **Why He Supported Bizz Johnson in His Race Against Gene Chappie**

Gianelli: Oh, you mean on the competition between he and Chappie (Seney: Exactly.) Well, I had, as I think I indicated earlier, a close personal relationship with Bizz, and I really felt that he'd done a lot for water in California. He was in a very key spot as chairman of the committee, and I just felt, from the standpoint of water development in California, he was almost indispensable. That's really the way I felt, and I think that was the motivating reason why I did what I did in terms of the documentary for Bizz.

Seney: You started to say, as we were turning the tape over, that you think maybe you're something of an anomaly. What do you mean by that?

**“I’ve never considered myself a political animal in terms of politics. I’ve considered myself more as a professional who has got involved with the political process—not through my own choice, but through the way things have worked out. . . .”**

Gianelli: Well, I mean this . . . Let me just say, I’ve never considered myself a political animal in terms of politics. I’ve considered myself more as a professional who has got involved with the political process—not through my own choice, but through the way things have worked out. And let me recite how I view that.

I started out in the Department of Water Resources as a junior engineer. This was when it was all in the State engineer’s office.

### **Department of Water Resources and the States Water Rights Board Were Created in 1955**

Then I worked up through the Water Rights Section, so I was in charge of water rights for the state engineer in 1955, when Cap Weinberger put in the legislation to create the Department of Water Resources and the State Water Rights Board. At that time, I really should have gone with the Water Rights Board, which was an

independent agency of state government, dealing with water rights, because that was really my strong background.

### **Harvey Banks Pulled Him over to the Department of Water Resources as His Assistant Director**

On the other hand, I'd worked with Harvey Banks, who was state engineer at that moment, and became then the first director of water resources. So Harvey pulled me over into the department as, you might say, an assistant director, or as his chief right-hand bower, is the way it turned out at that time.

So what happened then, I immediately got involved as Harvey's representative on some conflicts within the state.

### **Became Involved in the North-South Water Fight Within California**

This had to do with the north-south fight. And one of my first jobs that I got was . . . Goodwin Knight created a fourteen-man, I think it was, lawyer-legislative committee, dealing with the north-south water problem. And his view at that time was, and everybody said, you had to have a constitutional amendment to solve that problem. Okay, so he appointed this committee, and they had to have an engineer to tell them what the facts were, so I was sent over as the engineer consultant to that

committee. And that gave me access and contact with key legislators who were lawyers in the state who dealt with this north-south problem. Well, it turned out they came up with a draft that didn't go anywhere. But at any rate, by virtue of that, it propelled me into a position, I think, which a lot of the—if you want to call it—politicians felt comfortable with me, in that I wasn't a threat to them politically, and I tried to be honest with them in terms of what the water situation was in California, and how I saw the facts.

### **Involvement with Ralph Brody and Governor Pat Brown's Administration**

So after that experience, then, and Pat Brown became Governor, I had worked in the years before, closely, with people like Ralph Brody, who started out with the Bureau, but who Governor Brown appointed as a special counsel to the governor, a deputy director of Water Resources, with an office right next to the governor's in the governor's house over at the capitol. And Ralph, because of my past associations with him . . . He didn't trust Harvey Banks. He didn't trust the department, so I was viewed as kind of a person that he could call on, that he felt confident that I didn't have any axes to grind politically, and I would tell him what the facts were. So I got immediately deeply involved with the Pat Brown Administration in terms of putting together this alternative to a constitutional

amendment on the north-south problem, which was to put together a project and its financing, to build a project that would take care of *all* areas of the state, for *all* purposes.

### **Burns-Porter Act and the State Water Project**

And so then what happened was Ralph put together the legislation and was the key guy for the governor who supported it, in getting legislation through, just because Pat had an interest in the Colorado River litigation. He was attorney general during all that time so he had a built-in interest in water. So one of his things right early on was to solve this north-south conflict.

**“ . . . there was this problem between Harvey Banks and Ralph Brody. . . . neither one of them . . . [could] in all honesty, trust each other to be out in front, they both leaned on me to be the person who would work with the legislature and do the major testifying on the Burns-Porter Act. . . . So I had . . . the confidence of both of them that I was not politically motivated”**

So he got Ralph Brody on board as the special counsel and deputy director, and immediately there was this problem between Harvey Banks and Ralph Brody. So since neither one of them, I think, couldn't, in all honesty, trust each other to be out in front, they both leaned on me to be the person who would work with the legislature and do the

major testifying on the Burns-Porter Act. Here I was. I was still a civil servant. But I was called upon because I worked with Ralph on putting the package together and I was Harvey's assistant. So I had, I guess, the confidence of both of them that I was not politically motivated—I'd say what I thought. And I think at that time I developed a reputation of being knowledgeable in the field. So I was the person who was the primary witness before the Legislature on the Burns-Porter Act. Now I was a Democrat at that time, and so I think they felt comfortable with me, and that's the way it all started.

**“ . . . we lost the district engineer in southern California—Max Bookman resigned. He quit. So Harvey said, ‘ . . . I want you to go down there as district engineer.’ So I said, ‘ Well, I’ll try it for a while.’ Well, I did, I went down there for six months, tried the job. Then I said, ‘ I don’t think I want to live down here.’ So I quit and went into private practice . . . ”**

After the legislation was enacted for the Burns-Porter Act, but before it was voted upon, we lost the district engineer in southern California—Max Bookman resigned.<sup>22</sup> He quit. So Harvey said, “I want you to go down there . . . I don’t have anybody else to send. I want you to go down there as district engineer.” So I said, “Well, I’ll try it for a while.” Well, I did, I went down there for six months, tried the

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22. see footnote on page 70.

job. Then I said, “I don’t think I want to live down here.” So I quit and went into private practice, and then got involved with all these other things that we’ve been talking about in private practice, working on water exclusively.

**“I had good clients. I had San Joaquin County. I had almost all of the Sacramento River water users. I did work for East Bay [Municipal Utility District]. I got involved in litigation on the Santa Ana River between Riverside and San Bernardino and Orange County. So I was really up to my ears in water. . . .”**

I had good clients. I had San Joaquin County. I had almost all of the Sacramento River water users.<sup>23</sup> I did work for East Bay [Municipal Utility District]. I got involved in litigation on the Santa Ana River between Riverside and San Bernardino and Orange County. So I was really up to my ears in water.

**Bill Warne Planned to Leave as Director of the Department of Water Resources If Ronald Reagan Was Elected Governor, and Reagan Didn’t Want Him in the Position**

Well, in the meantime then, here comes the administration of Ronald Reagan, running against Pat Brown. And I was doing my thing as a private consultant in Sacramento. Norm Murray had joined me. Norm Murray was a former assistant

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23. See the footnote at page 58.



regional director of the Bureau of Reclamation. It was Gianelli and Murray, and he came in and was doing some work from the power end for the Department [of Water Resources], and I had all my clients, and we were doing very well. But when Reagan was elected Governor, beat Pat Brown . . . I wasn't involved with the campaign in any way, either side. But, when that happened, my predecessor, Bill Warne, during the campaign had made it clear if Reagan was elected he was going to leave. He wasn't going to hang around then. Reagan said the same thing, "If I'm elected, that Bill Warne won't be around as Director of Water Resources. I'm going to . . . ." And Reagan didn't know me. Warne was viewed as kind of a political person.

**“. . .Reagan said, 'I'm going to appoint a northern California water engineer to finish the State Water Project, which I think is in trouble.' . . ."**

He [Reagan] said, "I'm going to appoint a northern California water engineer to finish the State Water Project, which I think is in trouble."

After the election Reagan appointed several of committees throughout the state—one in northern and one in southern California—to look at several important jobs to fill in his administration. One of them was director of agriculture, one of them was director of finance, another one was director of water resources. Well, I got interviewed

by several of these committees. And along the line, before any choice was made, I had a lot of support, I found, as a Democrat, from my Republican friends who I'd worked with, in consulting arrangements and so forth, with John Luther and Colonel Barton, [Chairman of the] Reclamation Board, and some others as well as many water users by virtue of my work.

### **Call from Governor-elect Reagan about Becoming California's Director of Water Resources**

So I knew my name was in the hopper for director of water resources. I didn't know where it stood, but I had been interviewed by a number of these different committees. So lo and behold, about early in December, I get a call from Ronald Reagan saying, "You've been recommended for director of water resources. I don't know anything about it, but could you come in and be director?"<sup>24</sup>

So I said I wanted to talk for a few minutes. I didn't know where he was coming from on the issue of public power, private power, Bureau projects, Corps projects, or whatever. He professed great ignorance, and he said, "Well, you'll be my water person." And so, sure enough, two days later, they put together a press conference, and I was appointed as director. All the time I'm a registered Democrat, and here I am in a conservative, Republican

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24. See also information on page 73.

administration. How did that happen? So I had the uncomfortable job, then, of representing the Reagan Administration in water matters and being the governor's principal advisor on water, and the first thing that came along was this Colorado River stalemate.

### **Worked on Passage of the Central Arizona Project**

And so I convinced Reagan and the administration they should support efforts on the Central Arizona Project because I had been working with the [Central] Valley legislators, and I knew that it was important to California. So we got that through.<sup>25</sup>

But the anomaly that I'm mentioning is here I am—I'm appointed by Reagan as a Democrat in a conservative Republican administration—and the Republicans, I think, all felt that immediately I would roll over on some of the issues that the Republicans had been smarting on over the years, which I didn't in effect, and hung in there and got . . . One of them was the Central Arizona Project, getting the Reagan Administration to support it. So it was kind of interesting, and that's why I said I'm an anomaly, because here I am both a Democrat and a Republican, and Reagan subsequently, then, appointed me when I left Water Resources to the State Personnel Board, a much sought after position. And then when he takes me back to

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25. See footnote and additional information on page 107.

Washington—by that time I’m changed back to a Republican, but I never made an issue of my political affiliation—it’s been more or less on the issues and particularly the water issues of what I thought was important for the state. So far, I’ve survived with both a Democratic and Republican administration, as a professional in those areas. But it’s been a very interesting course to have charted along the way. So that’s why I said “anomaly.”

### **California’s National Politicians**

Seney: I suppose in relation to the Congress, you’ve got to work with the Democrats—they’re the majority party—and what else can you do?

Tell me a little about the members of the Senate—say [U. S. Senator] George Murphy and [U. S. Senator John V. Tunney] Mr. Tunney. Were they helpful at all?

### **Clair Engle and Tom Kuchel**

Gianelli: Neither one of them were . . . Well, even before then, going back to the Clair Engle days . . . Clair was, of course, very knowledgeable. He and Kuchel were a great team when they were both there—one Republican, the other Democrat—and working together did an awful lot in terms of water development in California. I think they buried whatever political problems they had between them.

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- Seney: Well, Clair Engle is a very unique individual.
- Gianelli: But he was very water oriented. You know, he was pretty involved in all that stuff in northern California because that's where he came from as a House member, you know. (Seney: Right.) And got elected to the Senate, which was no small chore.
- Seney: He was succeeded by [U. S. Senator] Pierre Salinger who . . .
- Gianelli: Well, that was an interim appointment that didn't last. Murphy beat him. (Seney: Right.) I didn't view—well, of course, starting with Salinger, who wasn't there very long, and Murphy and Tunney—as really having the interest that I viewed Kuchel and Engle had in terms of the water issues or carrying the influence that either one of those fellows had.
- Seney: What about [U. S. Senator] Alan Cranston?
- Senator Alan Cranston**
- Gianelli: Alan was . . . He wasn't really a water person. He would support certain issues, but oppose certain others. I knew Alan. I knew him when he was state controller, and I knew him when he was in the legislature. But I never really felt that he was a water person in terms of the other people that we've been talking about.

- Seney: So you worked mostly with the members of the House?
- Gianelli: Except when Kuchel was there I worked closely with Kuchel, very closely with Kuchel.
- Seney: I can't remember when Kuchel left office. Was it '68?<sup>26</sup>
- Gianelli: Well, how the hell did that happen? (Lengthy pause.) When did it happen? I'm not sure.
- Seney: I'm not either.
- Gianelli: I'm not sure when it happened.
- Seney: Cranston beat him.<sup>27</sup>
- Gianelli: Cranston beat Kuchel.
- Seney: And I think it was '68. Murphy beat Salinger in '64.
- Gianelli: Let's see, Salinger got appointed by . . . Was it by [President John F. Kennedy] Kennedy? When Clair Engle died.

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26. Thomas Henry Kuchel was appointed to fill the U.S. Senate seat vacated by Richard M. Nixon in 1953 and was subsequently reelected in 1956 and 1962. His bid for renomination in 1968 failed, and he left the Senate in 1969.

27. Democrat Senator Alan Cranston defeated conservative Republican candidate Max Rafferty in 1968. Rafferty had defeated the more liberal Republican incumbent, Thomas Kuchel, in the primary election of that year.

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- Seney: By Pat Brown. To the Senate by Pat Brown.
- Gianelli: Oh, okay, that's right. I guess I forgot that. Okay. Yes, I guess that's right. But he was only there less than a year.
- Seney: Less than a year, and then he was beaten by Murphy in '64.
- Gianelli: Yes, right.
- Petershagen: Let me ask right here . . . You've used the term half a dozen times in describing these congressmen and senators as "water people" and "not water people," Bill. (Gianelli: Yes.) Take a minute-and-a-half and tell us what a "water person" is, okay?

**“. . . to me a water legislator is one that's extremely interested in the water problems in the state and has been very deeply involved with water projects that have been for the benefit of the state, both north and south . . .”**

- Gianelli: Well, to me a water legislator is one that's extremely interested in the water problems in the state and has been very deeply involved with water projects that have been for the benefit of the state, both north and south, and, I would say also, by and large, are key players on the water committees of both the legislature and the congress. They're key players on the committees that were deeply involved with water. That, to me, is a water legislator, as opposed to somebody who is more interested in some of

the social programs and puts his emphasis over there or whatever. That's my definition of a water legislator, and that's why I guess my relationships developed with those people.

Petershagen: Let me ask you this just for clarification, then. A water guy is *pro*-water resources development or just *knowledgeable* about water resources?

Gianelli: I think it's both. It's knowledgeable and generally pro-water development. Most all of them have been involved with the construction of projects, although there might have been an isolated project that they didn't support at some point in time, but by and large they're pro-water projects and water knowledgeable. Water knowledgeable first, and pro-water secondly.

Petershagen: Let me take us in a little bit different direction here, if I might, and that is to jump into Dos Rios which is, I guess, kind of the final turnaround in water resources development in the state. Tell us a little bit about how that project came to be.

### **Dos Rios Project on the Eel River Originated as a Corps of Engineers Flood Control Project**

Gianelli: Well, Dos Rios I viewed as one of those things which I had not been able to convince Reagan that it was an important project for the future welfare of the state from a water



standpoint. I really felt kind of bad about that. I really felt that I was not successful in getting that project through. It started out basically as a Corps project. The Corps of Engineers, largely as a result of, I think, the '55 floods, felt that it had to do something over on the Eel River watershed to give some protection to the people downstream. Remember the Corps had, as its primary function, California flood control. But I think when the Corps started to look at that project, it recognized that there were other benefits that could accrue if they built a project up there on the Eel River Watershed. And so when the Dos Rios Project was conceived it was conceived as a multi-purpose project, basically for flood control to the areas downstream and possibly the exportation of water out of the area, although there might be some minor use within the watershed. And so it came along, really, prior, I would say, to the time that I would have pushed it as an adjunct to the state project.

**“I was more concerned, for example, with the Peripheral Canal for a Delta facility than I was *that*. And the reason for it was that I felt that if we could get a Delta facility, that would do more toward meeting the water supply commitments, and would be more important in terms of the Bureau and water projects generally than a project on the North Coast. . . .”**

I was more concerned, for example,  
with the Peripheral Canal for a Delta facility

than I was *that*. And the reason for it was that I felt that if we could get a Delta facility, that would do more toward meeting the water supply commitments, and would be more important in terms of the Bureau and water projects generally than a project on the North Coast. So the project on the North Coast was really, originally, driven by the Corps of Engineers in its desire to provide a flood control project. But when I talked to the Corps about it I recognized that it could fulfill one of the responsibilities that we had from the state project for additional storage, which I knew would be needed at some point in time.

**“ . . . the state became a major player, in the Dos Rios Project because we would be the recipient of some of the water, and I would enter into a contract with the Corps of Engineers under the Water Supply Act, to enter into a long-term commitment to take the water from that project and pay it out over a long period of time. . . .”**

The state project demand built up very gradually so I felt we had time to look at additional storage augmentation, but what I was *more* worried about was getting the water across the Delta at that time, which was my prior concentration. So that's how the project started, and then I became a major player, or the state became a major player, in the Dos Rios Project because we would be the recipient of some of the water, and I would enter into a contract with the Corps of Engineers under the Water Supply

Act, to enter into a long-term commitment to take the water from that project and pay it out over a long period of time.

This helped me, too, because I wouldn't have to put up the capital for the state to build the project. It would be built with Congressional appropriations, but we would pay back the conservation share over a long period of time under a contractual relationship with the Corps. And it had a lot of appeal to me because we were having trouble financing the state project facilities at that time, and if the Corps would build it and provide flood control to the lower area, and I could enter into a contract with them, it would fulfill part of what I could see were the future obligations of the project to meet its contractual commitments.

So at that time, opposition started to build up to . . . Well, let me just say first of all, there were extensive hearings by legislative committees, by the water commission, and everybody supported—including the legislature, particularly Carley Porter's committee, the Assembly water committee—the Dos Rios Project. And part of what was needed before the thing could be put to bed as a real project would require the administration's approval. And thereby a process was started to get the governor's approval, which we never finally obtained.

**“ . . . opposition to flooding Round Valley appeared . . . a lot of it from the Indian**

**reservations up there that would be flooded around the area around Covelo. . . . and some of the large agricultural interests. . . .”**

As the project developed before the hearings and new people became involved, opposition to flooding Round Valley appeared, and largely a lot of it from the Indian reservations up there that would be flooded around the area around Covelo. So the original opposition developed primarily, I think, by virtue of the Indian population up there that would be impacted and some of the large agricultural interests.

One of the large agricultural interests was a fellow by the name of [Richard A.] Dick Wilson. Dick Wilson, interestingly enough, is now the state director of forestry [Director, California Department of Forestry and Fire Prevention] under an appointment from the current governor, Governor Wilson. But at any rate, he was able to muster up—he apparently had his own money to put into a campaign against Dos Rios—was able to muster up opposition from different groups, and some legislators and Indians, and got the attention of the secretary for resources, [Norman B. “Ike” Livermore, Jr.] Mr. Livermore.

At any rate, over a period of two or three years, then, they were able to get to the governor, and the governor, by virtue of his concern for the Indians, decided that he should not approve the project at that time

until other alternatives were looked at. And so we were given the task, then, before the state approved Dos Rios, to look at other alternatives.

**“We started again a series of studies that looked at other alternatives to Dos Rios. And one of the alternatives that we looked at was, of course, the English Ridge Project, which was being studied by the Bureau of Reclamation. . . .”**

And so then I backed off Dos Rios. We started again a series of studies that looked at other alternatives to Dos Rios. And one of the alternatives that we looked at was, of course, the English Ridge Project, which was being studied by the Bureau of Reclamation. It would have done basically the same thing, stored water up in the general area, and brought it over into the valley.

**“. . . the Dos Rios Project was the forerunner for the wild and scenic rivers system, which was enacted first at the state level and then at the national level. So at the present time, nothing is proposed on the North Coast. . . .”**

And so at any rate, the Dos Rios Project was the forerunner for the wild and scenic rivers system, which was enacted first at the state level and then at the national level. So at the present time, nothing is proposed on the North Coast. And I would guess the original opposition developed at Dos Rios. Then it further developed into the

enactment of legislation on the Wild and Scenic Rivers Act, which prohibits development on the North Coast.

**“ . . . I was able to . . . get a provision in there [California’s Wild and Scenic Rivers Act] that it would be restudied after a thirteen-year period to see whether the prohibition against development up there should continue. . . .”**

One of the things that I was able to do was to—in the original Wild and Scenic Rivers Act—to get a provision in there that it would be restudied after a thirteen-year period to see whether the prohibition against development up there should continue. And, of course, that came along after my tenure ended, and I’m not quite sure where it stands now. I think the legislature either extended that period of no construction, or made it permanent, or something-or-other, but at any rate, that’s the story of Dos Rios, in effect.

**Interviewed by Ted Simon for his book *The River Stops Here: How one Man’s Battle to Save His Valley Changed the Fate of California*, (New York City: Random House, 1994.)**

Interestingly enough, I was interviewed by a person three years ago, who wanted to talk about California’s water problems and some of the history of those problems. And he indicated he wanted to write a book on it, and so we had about a three-hour interview, and we talked about a

variety of things. I got a call here two or three weeks ago—his name is Ted Simon—saying that he was sorry that he hadn't provided me with a transcript of our interview, which he said he would do, and further, that he decided to limit his book to one issue, the Dos Rios issue, and that the book was in the final publication stages and would be out shortly. And then on September 29, which is next week, he was having a reception to launch this book which had been written, and he would send me a copy of it.

**“ . . . I was chagrined to find out that it was solely on Dos Rios, that he quoted me extensively, pointing out the disputes that took place on Dos Rios, and basically depicted me and the Corps and . . . the Bureau, . . . as the bad guys in trying to construct projects up there and build them to the detriment of the environment . . . ”**

He did send me a copy of it, and I was chagrined to find out that it was solely on Dos Rios, that he quoted me extensively, pointing out the disputes that took place on Dos Rios, and basically depicted me and the Corps and—to a lesser extent, I guess—the Bureau, because they were involved in some studies up there, as the bad guys in trying to construct projects up there and build them to the detriment of the environment as they had viewed them at that time. So it's been interesting to me that that publication is coming out now, in the form that it is in, without at least giving me an opportunity to

review the quotes that had been used extensively about me and also giving me a chance to put in further dialogue and my views on the Dos Rios Project.

**“As I remember in the interview, I only touched on that. But if I had known that he was going to write a book specifically on that, I would have provided much more background than the book illustrates with respect to the history of that controversy and the history of that project up there, which I felt was not completely represented fairly in the book . . .”**

As I remember in the interview, I only touched on that. But if I had known that he was going to write a book specifically on that, I would have provided much more background than the book illustrates with respect to the history of that controversy and the history of that project up there, which I felt was not completely represented fairly in the book that is just coming out, and that's called *The River Stops Here*<sup>28</sup> as I recall.

Petershagen: Let me just ask for clarification . . . Your concern about this is not with the accuracy of the quotes, but the background or the context that what you said is placed in, I take it?

Gianelli: Well, I think it's both. For example, one place in the book, as I recall, in his reference

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28. Ted Simon, *The River Stops Here: How One Man's Battle to Save His Valley Changed the Fate of California*, (New York: Random House, 1994.)



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to Oroville Dam, he indicates that was constructed by the Corps of Engineers.<sup>29</sup> It was not constructed by the Corps of Engineers. It was constructed by the Department of Water Resources. And there are certain other, I think, little inaccuracies which may have come from his interview of other people on this thing, which I would have tried to correct.

**“ . . . it also is kind of the inference that the water people are always the ‘bad guys,’ and the people that save the trees and keep dams from being built are the ‘good guys.’ . . . ”**

But it also is kind of the inference that the water people are always the “bad guys,” and the people that save the trees and keep dams from being built are the “good guys.” I’ve never subscribed to that. I subscribe to the belief that the water people have tried to meet the water needs of the state and have done an excellent job providing great environmental benefits.

**“ . . . I sort of resent being placed in the posture of being a ‘bad guy,’ because in effect I’ve been identified with water projects in California throughout my entire career, and I’m proud of that. I don’t make any apologies for it at all. . . . ”**

And I guess I sort of resent being placed in the posture of being a “bad guy,” because in effect I’ve been identified with water projects in California throughout my entire

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29. Simon, 236.

career, and I'm proud of that. I don't make any apologies for it at all.

Petershagen: I certainly haven't heard any apologies in the six or seven hours total that we've sat together! (Laughter) Your pride comes through loud and clear.

Gianelli: Well, one of the things that Mr. Simon says is that I've got tunnel vision and that I'm . . . because of my own personal background, coming up through . . . I have the illusion that my parents . . . and I'm the only person in my family that attended college . . . that I'm oriented in a way that I don't have a full appreciation of the environment.<sup>30</sup> And I resent that very much. I don't think that's true. I really think that I do. When I feel that I have a cause I fight for it very hard, and I don't make any apologies for that.

**“The State Water Project was passed by the narrowest of margins. A lot of opposition, particularly in the [San Francisco] Bay Area and northern California, still exists, and I don't have any apologies for that project. . . . because I think it's been good . . .”**

The State Water Project was passed by the narrowest of margins. A lot of opposition, particularly in the [San Francisco] Bay Area and northern California, still exists, and I don't have any apologies for that project. I credit Pat Brown with being one of the few Governors

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30. Simon, 262-265.

who's been willing to put his neck out and fight for that and to make it come about because I think it's been good, and will be good in the future, for the people of the State of California. So I don't have any apologies for it, and the fact that I fought for it, and I fought the Sierra Club and fought others who tried to stop it and derail it along the way, I don't have any apologies for that. I think I did what the people voted to be done. We do what the majority of the people want, and when they voted for the Burns-Porter Act, I assumed they meant that it should be built. Even though some people still object to it, my job was to see to it that it was built under the conditions of the law, and I felt that I did that, and I had to fight all the way to get it through. We had a lot of problems along the way.

Petershagen: I certainly appreciate you sharing those feelings with us, but the tape's going to run out again on us.

END SIDE 2, TAPE 5. SEPTEMBER 23, 1994.  
BEGIN SIDE 1, TAPE 6. SEPTEMBER 23, 1994.

Petershagen: Bill, is there anything that remains to be said that . . .

**“ . . . I hope someday that somebody will write a book which puts water development in its proper context. . . . ”**

Gianelli: Well, the only thing that I guess I finally feel, that I hope someday that somebody

will write a book which puts water development in its proper context.

**“ . . . the state sort of operates like a big pendulum. It seems to go from one extreme to the other. And I now view us in what I call an environmental mode, which to me has gone much too far. . . .”**

I really feel that the state sort of operates like a big pendulum. It seems to go from one extreme to the other. And I now view us in what I call an environmental mode, which to me has gone much too far. I think the environment is appropriate, but . . .

### **Concerns about the Endangered Species Act and its Effects on State and Federal Water Projects**

For example, the Endangered Species Act now has got the federal and the state project tied up to the point where they cannot perform the way they were originally intended to perform. I never heard of a Delta Smelt until about two years ago. It's a little two-inch fish that smells like a cucumber that appears in the Delta. But that Delta Smelt, now, has been classified as an endangered species, and as a result, the state and the federal pumps are shut down a good deal of the time, because the Endangered Species Act is fearful of the adverse impact of those projects on the Delta Smelt. Now, it seems to me that the fact that the state and federal projects serve eighty percent of the population of the state, one way or the other,

either in domestic water supply or agriculture, flood control, or whatever, is important enough that it ought to outweigh whatever benefits there are to a two-inch fish that some biologist found two years ago.

And I just hope that someday the thing turns around and that somebody will write a book that talks about all of the problems that have been overcome in meeting the water needs of the state. And I particularly feel that way on behalf of the Bureau and the state Department of Water Resources and to a lesser extent, the Corps, because its interests are much more narrow. But I really feel that those two projects deserve a lot more credit than they're now getting and that they are *not* the bad guys, and—if it hadn't been for them—California would be in a pretty sorry state of affairs. And so, at some point in time, I hope that somebody will put all that in proper perspective, and we won't have publications and public sentiment developing along the lines of so eager to depict that the water developers are all bad people. I think that's really unfortunate.

Seney: Just one more question. You've said several times in discussing people like Bizz Johnson and Congressman McFall and Congressman Sisk and Senators Kuchel and Engle that we don't have those kind of political leaders today. How do you account for that? Do you have any explanation for the . . .

**“ . . . we may have leaders in the Congress and the legislature on other issues, but we don’t have them on water. . . . I think the explanation is that water projects have become unpopular, dams are hard to come by, there is not the political mileage to be gained by anybody being for a water project now, whether it’s good for the people or not . . . ”**

Gianelli: I should qualify that by saying we don’t have that kind of people in terms of water. Now, we may have leaders in the Congress and the legislature on other issues, but we don’t have them on water. Yes, I think there is an explanation. I think the explanation is that water projects have become unpopular, dams are hard to come by, there is not the political mileage to be gained by anybody being for a water project now, whether it’s good for the people or not, the mileage is not there . . .

The conservation ethic has emerged in lieu of new water projects, and the environmentalists have gotten more attention in terms of their interests. And so I don’t think that the . . .

**“ . . . if I were a politician I’d look at the water issue, if I were interested in a new water project, as being kind of a negative thing for me, and therefore I’d better ride some other horse rather than a water horse. . . . ”**

I would expect if I were a politician I’d look at the water issue, if I were interested in a new water project, as being kind of a

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negative thing for me, and therefore I'd better ride some other horse rather than a water horse.

**“ . . . we've built all of the major water projects basically. There are only a few things left to do in terms of water development, so there's not the political mileage to be gained now that there was back twenty or twenty-five years ago. . . . ”**

Whereas in the days of old, water was a thing that was popular, and it was a thing . . . Things were needed, but we've built all of the major water projects basically. There are only a few things left to do in terms of water development, so there's not the political mileage to be gained now that there was back twenty or twenty-five years ago. And so, that's my only explanation. Whether it's right or not, I don't know, but that's what it seems to me has really happened. We just don't have the water issues that have the political mileage that are important to a legislator now.

Seney: That's all the questions I have, George.

Petershagen: Well, I think that brings us to a close, except as I did the last time, before we leave, we certainly want to just throw the microphone open and ask you if there's any final . . .

**Expresses Concern about the Undue Influence of Minority Opinions and Laws and Administrative Practices at the State and Federal Levels Which Makes Development of Water Projects Very**

**Difficult**

Gianelli: Well, no. The only thing is what I've just expressed, and that is a strong feeling that water projects are being misidentified now as in conflict with the environment and have not been good for the benefit of the people of the State of California. And I guess I feel that what's happened is that politically, vocal minorities, who I don't think represent the majority of the people in this state, have developed far more influence in the political process than they should have. You know, you can sense this now. For example, the last election that we had in California had several bond issues on the ballot that had been proposed by the legislature or by the politicians and so forth, and almost without exception, they were all defeated. And what that says to me is that there's a large block of public out there—whether it's water or whether it's money—who, at the proper time, can reflect their views and their wishes and *will* do so. But on water, they haven't had a chance to really accurately reflect that, but at some point in time, they will. When it comes time for them to be without an adequate water supply, or without flood control or whatever, then there will be a renewed interest, and there'll be a renewed political effort to move ahead as we have in past years. And I guess my only hope is that that comes before too long, and that there are people in the political arena who are willing to stick their neck out for what I consider to be the benefit of *all* Californians,



and not for the benefit of a few vocal minorities who have had, in my judgement, undue influence on the legislative process.

And the other thing is that we have developed both, I think, in our administrative practices at the state and the federal level and the laws we've passed, we've developed procedures to make it very difficult to bring on worthwhile water projects. For example, the matter of the environmental quality acts, CEQA [California Environmental Quality Act] and NEPA [National Environmental Policy Act], at the federal and state levels, were developed. I can remember when CEQA was developed, when I was Director of Water Resources, in 1970, I think, the proponents at that time said, "All we want is for you water people to look at alternatives when you build a project." But what's happened since that time, in the last twenty or twenty-five years, is that through court decision and administrative actions, the environmental impact report now has become a document for the "anti" people to advance. And the courts have held that it's not a matter of looking at alternatives, it's a matter of whether the environmental impact report is adequate, so that a project *can* move ahead. And if you're against a project, you can find a lot of reasons why an environmental impact report is not adequate. "It hasn't looked upon the effect of air," or "it hasn't looked upon the effect of cloud cover or traffic" or whatever. And so, as a

result, we put into law and practices now a procedure, a vehicle, which has allowed a minority number of people to stop something that's very worthwhile for the majority of the people without giving the majority of the people a chance to weigh in on this thing, and I think that's very unfortunate.

And the case I cited on the Delta Smelt is a case in point. We put into practice the Environmental [Endangered] Species Act, which allows a lower-level fishery biologist to declare something—or to want to declare something—endangered, and that starts a process which from a policy standpoint can't be derailed. And that's been evident in some of the things that have been happening now, and I think what you're beginning to see is a legislative reaction to the Endangered Species Act which may eventually nullify the good parts of that act because it's being administered in such a way that is so unreasonable to the adverse interest of the majority of the people in the state or the government. And that's got to change. But there it is!

**“ . . . the vocal minority, which seems to me has had an undue influence on our legislative process and our legislators. . . . ”**

And so, I guess I won't live long enough, but I think eventually we've got to come back to the majority interests, what's good for the majority, rather than the vocal

minority, which seems to me has had an undue influence on our legislative process and our legislators.

End of speech!

Petershagen: Well, thank you very much for both the speech and certainly for this tutorial on water issues, because I know for myself, and I think for Don, too, we have certainly learned a lot in these hours.

Gianelli: I'm not saying this to brag, but I don't suspect there's anybody around, that's still on his two legs, that can reflect, and that's had the background that I have had. It's unique. It's screwy. Starting out in the civil service process of the state, going up through the civil service ranks over fourteen years, getting to the top, going into private practice—representing the private sector and other interests for seven years—going back and finishing and making whole a project which, in effect, I had a lot to do with starting it, seeing it completed, seeing it put into operation, going back into the private sector again, going back to Washington, getting involved at the national level and so forth, in all of its ramifications and so on. It's really been an interesting one. I don't think there's probably anybody around that can have that broad of exposure. Some people may have bits and parts of it, but probably not as broad as I have had.

Petershagen: Well, we certainly thank you, once again,

for taking this time and for sharing all this with us.

Gianelli: Well, I just hope you do right by whatever you do, and put it in proper context and proper balance.

Petershagen: And certainly I'm sure the Bureau of Reclamation appreciates also your taking this time with us.

**“ . . . I feel bad about the Bureau right now. I feel that I probably associate more with some of their career people than some of the new people that are around. And I appreciate all the good things they've done. They've done a lot of good things in California in particular. . . . ”**

Gianelli: Well, as I say, I feel bad about the Bureau right now. I feel that I probably associate more with some of their career people than some of the new people that are around. And I appreciate all the good things they've done. They've done a lot of good things in California in particular.

**“If they hadn't built the CVP, it never would have been built. The state couldn't do it. And it was designed primarily to supplement agriculture, although it's got a little M&I now, probably more as time goes on. . . . ”**

If they hadn't built the CVP, it never would have been built. The state couldn't do it. (Petershagen: That's right.) And it was designed primarily to supplement

agriculture, although it's got a little M&I now, probably more as time goes on. Even the Contra Costa Canal, which is largely M&I now, was designed as an agricultural facility originally.

Petershagen: As callous as this sounds here, with all the thanks, I need you to acknowledge once again before we close out, that we are doing this with your permission, and you have made this a donation to the Bureau.

Gianelli: You are doing it with my permission. I hope whatever you do, you reflect what you have sensed as a result of the interviews.

Petershagen: Thank you very much.

END OF SIDE 1, TAPE 6. SEPTEMBER 23, 1994.  
END OF INTERVIEWS

## Appendix 1: Résumé of William R. Gianelli

**WILLIAM R. GIANELLI**  
973 Pioneer Road  
Pebble Beach, CA 93953  
(408) 649-1274

### EXPERIENCE RECORD AND BIOGRAPHICAL SUMMARY

#### **June 1984 to Present**

- (1) Consulting Civil Engineer specializing in the field of water resource development and related matters.
- (2) President and Vice President of the Board of Directors of the Pebble Beach Community Services District (1992-present)
- (3) Served as Chairman of the Board of Directors of the Panama Canal Commission responsible for the operation of the Panama Canal, 1984-1989

#### **April 1981 to May 1984**

Assistant Secretary of the Army for Civil Works

- (1) On behalf of the Secretary of the Army, responsible for overseeing the Civil Works program of the U.S. Army Corps of Engineers, with focus mainly on policy formulation, program objectives, review and approval of planning studies, and budget guidance, review and approval.
- (2) Served as Chairman of the Board of Directors of the Panama Canal Commission responsible for the operation of the Panama Canal.
- (3) Responsible for the administration of Arlington and Soldiers' Home National Cemeteries.

#### **September 1973 to March 1981**

Consulting Civil Engineer

- (1) Specializing in the fields of water supply, water rights, and related problems. Conducted and reviewed studies on availability of surface and groundwater supplies for power plants, public works projects, and other installations. Acted as expert witness before courts and legislative bodies.
- (2) Chairman and Member of the Board of Directors of the Monterey Peninsula Water Management District, 1978-1980.

- (3) Member of National Commission on Water Quality under Presidential appointment, 1973-1976.
- (4) Chairman, Special Task Force, to review policies and procedures of U.S. Bureau of Reclamation for western reclamation projects, under appointment of Secretary of Interior, 1973.
- (5) California Director, National Water Resources Association, 1979-1981.
- (6) Member of three-man arbitration board-PG&E-SMUD, regarding Rancho Seco Nuclear Power Plant problem, 1978-1981.

**January 1967 to September 1, 1973**

Director, California State Department of Water Resources

- (1) Supervision over the planning, financing, design, construction and operation of the California State Water Project, the largest single water conservation and conveyance system ever built. Responsible for the expenditure of approximately \$1.5 billion dollars for completion of first phase of project with physical works extending over 600 miles throughout the State.
- (2) Supervision over:
  - a. State-wide water resources development.
  - b. State-wide water resources planning.
  - c. Wastewater reclamation, desalinization, and weather modification programs.
  - d. Flood control and flood plain programs.
  - e. State-wide dam safety program.
- (3) Appearances before State and Federal legislative bodies in furtherance of programs under supervision of Office of Director. Acted as expert witness before courts and quasi-judicial State and Federal agencies on matters relating to State water problems.
- (4) Chairman for two years and Vice Chairman for two years, Western States Water Council, which was organized by western Governors, to provide a coordination voice in western water development.
- (5) Principal advisor to Governor on California water problems. Also served on numerous committees concerned with water-related matters.

**March 1960 to January 1967**

Consulting Engineer - Senior Partner, Gianelli and Murray, Consulting Civil Engineers

- (1) Engineer member of three-man team negotiating water supply contracts for water users along the Sacramento River.
- (2) Represented numerous municipalities and districts to assist in developing supplemental water supplies for municipal, irrigation, power and recreational purposes.
- (3) Represented numerous clients as expert witness in litigation and before quasi-judicial bodies on matters relating to water rights and water supply.
- (4) Conducted and supervised studies concerning availability of water from surface and ground water sources.
- (5) Chairman, three-man Board of Consultants appointed by the Secretary of Interior, to review repayment problems of the Columbia Basin project in the State of Washington.

**October 1959 to March 1960**

District Engineer, Southern District, California State Department of Water Resources

- (1) Supervised all activities of the Department in Southern California.
- (2) Represented the Director of Water Resources on various water-related matters in the southern California area.

**July 1956 to September 1959**

Staff Engineer and Special Assistant to the Director, California State Department of Water Resources

- (1) Engineer in charge of Watermaster activities involving distribution of water under court decrees.
- (2) Engineer assigned to State Legislative Committees attempting to solve north-south water problems.
- (3) Represented the Director before legislative and congressional committees in presenting testimony in furtherance of the State Water project.



- (4) Represented the State of California in compact negotiations with other states on water allocations.

**January 1946 to July 1956**

Junior to Principal Hydraulic Engineer, California State Engineer's Office

- (1) Engineer in charge of water rights and water distribution activities within the State.
- (2) Supervision of studies under adjudication of water rights.
- (3) Assistant State Snow Surveyor and distribution of water under court decrees.

**July 1941 to December 1945**

Second Lieutenant to Major, U.S. Army Corps of Engineers

Served as platoon leader, Company Commander, and Battalion Executive Officer of U.S. Army construction troops in Hawaii, Saipan, Okinawa, and Korea, rebuilding airfields and constructing water supply facilities.

PLACE AND DATE OF BIRTH

Stockton, California, February 19, 1919

EDUCATION

University of California, Berkeley, California  
Graduated May 1941, Bachelor of Science Degree, Civil Engineering, Irrigation option

REGISTRATION

Registered Civil Engineer, No. 7539, State of California  
Registered Civil Engineer, No. 1613, State of Nevada

PROFESSIONAL ORGANIZATIONS

Fellow Member, American Society of Civil Engineers  
Honorary Member, American Water Works Association

OTHER ACTIVITIES

Member, California State Personnel Board under appointment from Governor, 1973-1981

Member, Board of Directors, California Public Employees' Retirement System,  
1978-1981

Member, Board of Directors, California Chamber of Commerce, 1978-1981

Chairman, Board of Directors, Water Education Foundation, 1985-1990

Chairman & Member, Board of Directors, Del Monte Forest Foundation 1985-1993

HONORS

- (1) Distinguished Service Award, January 1972, California Council of Civil Engineers and Land Surveyors.
- (2) Construction Man of the Year, February 1973, Engineering News Record.
- (3) Public Works Man of the Year, One of the Top Ten Public Works Men of the Year for 1973, American Public Works Association and other organizations.
- (4) Honorary Member, American Water Works Association, 1973.

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- (5) Royce J. Tipton Award for outstanding contributions in the field of irrigation and drainage, ASCE, 1973.
  - (6) Distinguished Service Award for 1973, Soil Conservation Society of America.
  - (7) Special award in appreciation for contributions to the people of California as Director of Water Resources, Association of California Water Agencies, November 1973.
  - (8) The SIR Award (Skill, Integrity and Responsibility) in recognition for contribution to the construction industry, Association of General Contractors of California, December 8, 1973.
  - (9) U.S. Department of Interior, Bureau of Reclamation, Citizen Award, in recognition of outstanding leadership in effective development of the Nation's water resources, December 4, 1975.
  - (10) U.S. Department of Defense Medals for Distinguished Public Service, April 1984 and June 1989.
  - (11) U.S. Department of Army Decoration for Distinguished Civilian Service, May 1984.
  - (12) Distinguished Engineering Alumni, University of California, Berkeley, 1986.
  - (13) President's Award, American Society of Civil Engineers, 1987.
  - (14) Hoover Medalist for 1988, in recognition of distinguished public service presented by the Hoover Commission.
  - (15) DAR Medal of Honor, 1989, Awarded by the Daughters of the American Revolution for distinguished public service.

July 1994

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