

ORAL HISTORY INTERVIEWS

William C. Klostermeyer



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OPEN FOR RESEARCH**



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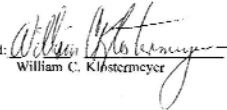
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**STATEMENT OF DONATION
OF ORAL HISTORY INTERVIEWS OF
WILLIAM C. KLOSTERMEYER**

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Date: April 19, 1996

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William C. Klostermeyer

INTERVIEWER: 
Brit Allan Storey

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OF ORAL HISTORY INTERVIEW OF
WILLIAM C. KLOSTERMEYER

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INTERVIEWER: DONALD B. SENEY

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Bureau of Reclamation History Program

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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Brief Chronology
William C. Klostermeyer

Born

1958–Went to work for Reclamation in the Grand Island planning office after graduating from University of Nebraska in civil engineering. Worked mostly in plan formulation

1965–Moved to region in Denver to coordinate planning work. Worked on the Narrows and Two Forks projects.

Summer 1968 Moved to Washington, D.C., to assist O&M Division with PPBS budgeting outputs

January of 1969–Becomes program officer for the Planning Division in D.C.

1972, 1973–became assistant chief of the Program Coordination and Finance Division

1981–Becomes assistant commissioner for administration

1989–Retires from Reclamation to run the Bookman-Edmonston office in Washington, D.C.

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Oral History Transcripts
William C. Klostermeyer

Storey: This is Brit Allan Storey, Senior Historian of the Bureau of Reclamation, interviewing William Klostermeyer in his offices at Suite 350, 1130 Connecticut Avenue, Northwest, in Washington, D.C., on January the 26th, 1995, at about nine o'clock in the morning. This is tape one.

Mr. Klostermeyer, I'd like to ask you where you were born and raised and educated and how you ended up at the Bureau of Reclamation.

Born in Omaha and Raised in Grand Island, Nebraska

Klostermeyer: I was born in Omaha, Nebraska. I grew up in Grand Island, Nebraska, which is about 150 miles west of Omaha.

Attended the University of Nebraska

I went to school at the University of Nebraska in civil engineering, received a Bachelor of Science in civil engineering.

Began to Work for Reclamation While Still in College

Started to work with the Bureau of Reclamation while I was still in college and went to work in the Bureau primarily because the *head* of the Bureau's office in

Grand Island, Paul Harley, was a personal friend of my parents.

Paul Harley

We attended the same church, and I was active in Boy Scouts and Paul Harley was one of the—his kids were in Scouts, so we became quite close as two families.

Grand Island Was a Project Planning Office

Paul made good use of a lot of the Bureau people in pulling them into the Scouting program, either the Fish and Wildlife people that he worked with in Grand Island. Grand Island was a project office at that time of the Bureau, a planning office. And so Paul would pull on different people that he was associated with at work to come and help the scout troop. The Fish and Wildlife people would come down and help us study merit badges and that kind of thing. So I became quite familiar, growing up, with Bureau people. We'd go on camping trips. Paul would always make sure that we had maps. A lot of our camping trips were in areas where the Bureau was studying reservoirs and that type of thing. So it became a real education, just as we were growing up, about the Bureau or the Bureau's work.

When you're in college, you're always looking for a summer's job, so I applied

for the Bureau and got taken on one summer as a student—I don't remember what the program was called.

Storey: Summer hires, basically.

Paul Harley Always Had Engineers-in-training in the Grand Island Office

Klostermeyer: Yeah, summer hire kind of thing. The Bureau, and particularly Paul Harley, at that time was very interested in education of new engineers, and so he always had a lot of engineer-in-training people around, several of the summer hires, and he made it a point to train the people in different fields. So I was able to work in a lot of different areas during the time I was coming on board.

Summer Work for Reclamation

I worked for the Bureau for three months, beginning in, I guess, '56. Went back to college and then worked another summer before I graduated. So I had really two summers of working with the Bureau before I got out of school.

Graduated from College in 1958 and Went to Work for Reclamation

When I got out in '58, actually in '58 there was kind of a recession, and not very many people were hiring engineers. The Bureau of Reclamation was, and the

Nebraska Highway Department and the Missouri Highway Department were also hiring engineers. Well, I didn't really want to work for the Highway Department, so the Bureau was really a good choice.

I was married my senior year in college, and we were expecting our first baby about graduation time. So I wrote the Bureau and asked them if I could *start* at Grand Island, because that was both my wife's and my hometown, and we figured if we were going to have a little baby right at the time we got out of school, it made sense to be near home. So I started my Bureau career at Grand Island and entered Reclamation's engineer-in-training program, which was a program at the time where they rotated new engineers for a whole year through a whole variety of assignments.

At that time, there was probably maybe six or eight new engineers on assignment at the Bureau of Reclamation in Grand Island. It was a good deal for the local office because the salaries of all the engineers-in-training were paid by the region, and so that meant that the local planning office got eight man-years of effort without any cost. So it was kind of an incentive for the local office to hire those kind of people.

Spent a Year in the Rotation Program

I spent then a whole year in training, most of the time in Grand Island, but being rotated through various assignments. Grand Island at that time was principally a planning office, although construction had just been finished on the Sargent Project,¹ which was maybe thirty or forty miles north of Grand Island on the Middle Loup [River].

Spent Part of His First Year Working in Operations on the Sargent Project

So I spent part of my training up there on the first year of operation of the Sargent Project.

Spent Some Time Working on Construction on the Bostwick Project

Construction was under way on the Nebraska-Kansas Bostwick Project,² and I did my construction training down on

1. This refers to the Sargent Unit, Middle Loup Division of the Pick-Sloan Missouri Basin Program. This is a small Reclamation project with an irrigable area just over 13,000 acres. Initial construction was completed between 1955 and 1957.

2. Referring to the Bostwick Division of the Pick-Sloan Missouri Basin Program. The irrigable area of this Division is over 80,000 acres, and initial construction occurred between 1949 and 1968. Lovewell Dam on the Division was built between 1955 and 1957.

the Kansas Bostwick Project. I had another assignment in the regional office in Denver during that training program, but principally most of my work was in Grand Island.

"I started in plan formulation. . . ."

I started in plan formulation. I'm not sure that's the official title of the branch, but it was really the branch that did some of the early studies. Grand Island was the office that was doing most of the planning work for the eastern part of Nebraska on the projects that had been proposed as part of the Pick-Sloan Plan. They completed the planning on the Sargent Project, which was under construction, as I indicated.

Farwell Project

They were done with the planning on the Farwell Project,³ which had been authorized at that time. It was just about ready for construction.

North Loup Project

They were finishing up the final design report, *definite plan report*, on the North

3. Referring to the Farwell Unit, Middle Loup Division of the Pick-Sloan Missouri Basin Program. Major construction occurred between 1959 and 1962 while the distribution system was built between 1961 and 1966. The irrigable acreage is a little over 50,000.

Loup Project. In fact, my survey training was up on the North Loup Project. In fact, I may have went up there one of the summers that I was working before I got out of school. I think that's actually when I did my training, up in North Loup.

Survey Work on Calamus Reservoir

So I did some surveying on the Calamus Reservoir,⁴ which I had the experience to be at the dedication of the Calamus Dam some thirty years later.

"So there's *nothing* in Reclamation that *is fast* when it comes to planning and getting through construction. . . ."

So there's *nothing* in Reclamation that *is fast* when it comes to planning and getting through construction.

That was a project which will be—I was talking to some people when I was out in Nebraska in December that said that they'll have the entire North Loup Project finished for this summer's irrigation season. Now, that was a project that I did surveys on in '56, and here it is '95 and the first year the entire project is completed.

4. This is on the North Loup Division, Pick-Sloan Missouri Basin Program. Construction began in 1976, at which time irrigable acreage was believed to be 50,000. The project is on the North Loup and Calamus rivers downstream of Taylor and Burwell, Nebraska.

"That's kind of one thing that comes out of planning is you get a long period of delayed gratification to see your work accomplished . . ."

That's kind of one thing that comes out of planning is you get a long period of delayed gratification to see your work accomplished, and I suspect now it's even worse for the people that are in planning in the Bureau with the large cutback in construction. Unless they're working some real short-term thing, that there will not be another major project that anybody can say, "I worked on that in the beginning," and [then] see it completed.

Worked in Grand Island about Eight Years, Including During Construction of the Ainsworth Project

I spent about eight years in Grand Island, working primarily in planning, although North Loup did come under construction and the Ainsworth Project⁵ in the northern part of the state on the Niobrara River went under construction. The office kind of expanded so that they were doing a lot of engineering activities there, drawings and some of the design work.

5. Referring to the Ainsworth Unit of the Pick-Sloan Missouri Basin Program is located in north-central Nebraska, has over 34,000 irrigable acres, and major construction was 1961 to 1965 with distribution work spilling over into 1966.

Met Darrell Mach in Grand Island

That's probably where I first met Darrell Mach.⁶ Darrell was involved in the—in fact, he might even have been on the engineer-in-training program when I was. But anyway, we both worked together in Grand Island, but he was more in the construction design area, and I *stayed* in the planning side.

Moved to Denver about 1965

Went from Grand Island to Denver in about '65. Went out to Denver on a detail. Early in '65, they were wanting to finish up a couple of reports and get them back to Washington, and they needed somebody to help write portions of the reports, so I went out to help on that. Both projects that I worked on finally, unfortunately, died.

The Narrows Project in Northeastern Colorado

One was the Narrows Project. People talk about the Narrows.

Storey: In Colorado.

Two Forks Project on the South Platte River in Colorado

6. Darrell Mach has been interviewed for Reclamation's oral history program.

Klostermeyer: In Colorado. And the other one was the Two Forks Project in Colorado.

Storey: Also in Colorado, west and south of Denver.

Klostermeyer: Right. It was kind of interesting. Well, I guess when I first went out there, we worked on the Narrows. That was the reason that I went out. It wasn't until I transferred out there that I worked on Two Forks.

But I transferred out to Denver, worked on Two Forks.

Wayne Aspinall

That was when Wayne Aspinall⁷ was chairman of the House Committee and a very powerful man in Congress, and about any project that he wanted to see authorized got authorized. We had finished up all of the design work, all of the work on the definite plan report, which is the final planning document, and was ready to send it to Congress, send it back to Washington to try and get authorized.

7. Wayne N. Aspinall served in many local and state offices in Colorado before election to the House of Representatives. He served in the House from January 3, 1949, until January 3, 1973. He left the House because he was not renominated.

Commissioner Dominy Wanted Two Forks to Be a Reclamation Showplace

Floyd Dominy was commissioner, and he decided that, since Two Forks was going to be a major structure and it was just a few miles southwest of Denver, that it ought to be a showplace for the Bureau of Reclamation, from both an engineering standpoint and then from an environmental standpoint. So he told us to not send the report in, but to add a whole lot of recreation benefits, develop the Fish and Wildlife activities around the reservoir, all this kind of stuff.

"So we worked on that for about another year, and then by the time we sent the report in, Aspinall was no longer chairman of the committee. The Two Forks Project, from a Federal standpoint, just died. . . ."

So we worked on that for about another year, and then by the time we sent the report in, Aspinall was no longer chairman of the committee. The Two Forks Project, from a Federal standpoint, just died. The City of Denver kind of took it over, and they built Tuckshead, what was Tuckshead, which was the lower forebay dam. They built that as their—they call it Crystal Dam⁸ or something like that. It's part of their

8. Probably referring to Strontia Springs Dam which was completed by Denver Water in 1983 as part of its Foothills Project.

water supply system on the lower end of the South Platte River.

Storey: How do you spell that?

Klostermeyer: I think it's Crystal, isn't it?

Storey: Yeah, Crystal, but what was the Reclamation name?

Klostermeyer: Turkhead, T-U-R-K-H-E-A-D.

Storey: Oh, Turkhead. Okay. I see.

Klostermeyer: Well, it's probably T-U-C-K-S-H-E-A-D. That was a forebay, down below Two Forks.

Storey: Why was Reclamation involved in Two Forks at that time?

Why Reclamation Was Involved in Two Forks

Klostermeyer: Primarily, Reclamation was just the water developer of the area, and it just apparently made more sense for Reclamation to be the developer of a major water supply than the city, because it would benefit *more* than one city.

Abolition of the South Platte Planning Office and Tracking Problems Which Resulted

I moved to Denver right at the time—there used to be a South Platte Planning Office in Denver. In a consolidation

effort, they abolished that office and moved those people into the regional office. So they had people in one office, the regional office, doing both detail planning work and doing the review of the planning work that was being done in other planning offices throughout the region. They were having some problems tracking who was doing what and why, so my job, when I moved to Denver from Grand Island, was kind of a coordinating role.

". . . I first . . . got into the budget aspects of Reclamation . . . trying to keep track of workload in the regional office and separating out the review functions from the actual day-to-day planning activities . . ."

That's when I first kind of got into the budget aspects of Reclamation, and my job was really one of trying to keep track of workload in the regional office and separating out the review functions from the actual day-to-day planning activities that were being carried.

Being involved in budget for the planning activities, I started working with the regional budget people, people like Gordon Wimmeler [phonetic] and, I'll think of his name, Zinler [phonetic]. That's not quite right. It'll come. Anyway, these people were doing the budget activities for the entire region, and

my responsibility was for the general investigation appropriation.

Planning Programming and Budgeting System (PPBS)

This was about the time that [Robert] McNamara was trying to introduce PPBS, Planning Programming and Budgeting System, within the Federal government.

". . . there was a lot of emphasis on the *output* side of a budget. . . ."

One of the *key* aspects of that was to identify what you got out of your dollar input, and so there was a lot of emphasis on the *output* side of a budget. Of course, nobody in the private sector knew much about PPBS. I mean, the non-defense part of government knew anything about PPBS. That was something that came out of McNamara's activity when he was Secretary of Defense.

Sent to Study Civilian Applications of PPBS

They were looking for somebody to find out about it, and so they sent me out to the Navy's postgraduate school in Monterey, California, where they had a *non-defense* training program for PPBS. I spent, I don't know, three weeks-, four weeks out there learning about how do

you identify outputs and that type of thing.

"I came back and then for the region kind of became the expert on the output side of the PPBS budget process for the region. . . ."

I came back and then for the region kind of became the expert on the output side of the PPBS budget process for the region. A former colleague at Grand Island, and actually one in Denver, was Al Nielsen. Al had since moved back to Washington, D.C., and was the one that was handling PPBS activities, the *output* side of PPBS activities in Washington. I got talking with Al over the phone about some of the regional input stuff, and he said, "Bill, why don't you come back here on detail and help us when we're trying to consolidate this stuff from all seven regions." I said, "Great," and I did that.

Went to Washington, D.C., in 1967 to Assist with PPBS Work

I came back to Washington from Denver. This would have probably been in '67, the fall of '67, maybe the spring of '67, and helped them consolidate all of the stuff from all of the regions, put the budget documents together.

This Was Before Computers and Everything Was Done by Hand

You have to recognize this was really before computers, so everything we did, we did by hand. All the tables that were put together were all put together on pencil and paper and all added up on a little adding machine. It became a very complex thing.

"PPBS was a paper mill. . . ."

PPBS was a paper mill. You would fill up a room with paper with just stuff that people were doing, because the requirement was, every dollar you spent, you had to show what you got out of it, and there was different types of measurements that somebody put together at OMB [Office of Management and Budget].

The one that was kind of intriguing to me was to evaluate recreation use. The thing that you counted was pillows. I don't know why they picked pillows, but I assume that if you were out camping, if you had camping space for two people that was equal to two pillows or some crazy thing. They tried to get things that were consistent across *all* of the agencies that might have recreation activities.

"A lot of agencies had a real hard time with PPBS, but . . . it was kind of a natural way of displaying what we were doing. . . ."

Of course, in Reclamation we *did* a lot of that. It was fairly easy for Reclamation to get into PPBS, because we kind of did that ourselves anyway in our benefit/cost analysis. We always knew what benefit we were getting out of the projects, and we tried to quantify that to the cost that was going into it. A lot of agencies had a real hard time with PPBS, but the Bureau, it was kind of a natural way of displaying what we were doing.

Moves to Washington, D.C., Office in 1968 in the Land and Water Branch

But anyway, I kept coming back to Washington about every six months for a year and a half or so doing the consolidation on this PPBS stuff.

Morris Langley

Finally, Al's boss, who was at the time Morris Langley, said, "Why don't we just put a full-time position back here." They did, and I applied for it and got it, and I came back to Washington in December, I think it was—no, excuse me, it was in May of '68—and worked for Al Nielsen in what was then the 400 branch of Land and Water. I don't know what they called it at the time. I suspect in the course of your interviews you've heard everybody talk about codes. Well, 400 is still 400, even then. It's the Water and Land

Division, I guess was the title at that time.

Cliff Barrett

I continued to work primarily just in the output side, although I did get in some of the other budgeting aspects of the Water and Land branch. Cliff Barrett was the program coordination guy for Water and Land at the time, so he and I worked together fairly close. Incidentally, Cliff's father had also worked at Grand Island, obviously several years ahead of me, and Cliff graduated from Grand Island High School, a couple years ahead of me, I guess. Well, he graduated ahead of me, and we didn't ever know each other when he was in Grand Island. But it shows us how small the world sometimes is that you run in.

Asked to Become Program Officer for Planning Division by Jim Casey in 1969

In about January of '69, Jim Casey, who was assistant chief of planning, asked me if I would come down and become the program officer for the Planning Division. The guy that had been doing that job was going to retire and go out to—he wasn't retiring, excuse me. He was going to transfer to Boise as the program officer for the region, so they wanted somebody to replace him. I had the opportunity to work with Jim on

this PPBS stuff, and Jim also had worked in the Grand Island office ahead of me. So I went down and took over the program officer's job for the Planning Division in January '69.

". . . all of a sudden you're involved in the whole operation of the Bureau of Reclamation . . . it was the responsibility for the Planning Division to pull *all* the activities of *all* the seven regions together and put the budget documents together . . ."

Of course, all the program jobs, all of a sudden you're involved in the whole operation of the Bureau of Reclamation, because it was the responsibility for the Planning Division to pull *all* the activities of *all* the seven regions together and put the budget documents together and provide the backup support for the staff at the appropriations hearings and that kind of thing.

"It was really kind of a baptism of fire because I took the job in about January and the hearings were held in February or March . . ."

It was really kind of a baptism by fire because I took the job in about January and the hearings were held in February or March of that year.

"Floyd Dominy was the commissioner, and he had a great reputation on the Hill for being an

outstanding witness and always knowing *what* the answers were to any questions . . ."

Floyd Dominy was the commissioner, and he had a great reputation on the Hill for being an outstanding witness and always knowing *what* the answers were to any questions that were proposed to him.

END OF SIDE 1, TAPE 1. JANUARY 26, 1995.
BEGIN SIDE 2, TAPE 1. JANUARY 26, 1995.

Storey: You were saying that Floyd Dominy had a reputation as a good witness on the Hill.

". . . he did that by doing a lot of studying and having a good support system. . . ."

Klostermeyer: Yeah, and he did that by doing a lot of studying and having a good support system.

Witness Statements

We had a system within the Bureau that we called witness statements. I think they still have kind of a modified version of it, but it's not nearly as extensive as it was at the time.

What happened was that we had just about any question that would come up or could come up, had the possibility, even the remote possibility of coming up, we would have that question on a piece of paper, the witness statement, and we

would have the answer for that question. These would be initiated from the region, sent in to Washington, and circulated around to the appropriate people in Washington for review.

"Skull Practice" in Preparation for Congressional Hearings

We always had, prior to the hearings, what we called a "skull practice," where we'd have all the regional directors and their planning officers and their budget people come back to Washington, sit around a big conference table, with the regional people at one end of the conference table and the commissioner and assistant commissioners at the other end, with some of the Washington staff around the table, and grill these people, grill the regional people for a couple hours to make sure that we understood, "we" being the Washington people as well as the commissioner, understood what all the problems might be that would show up or somebody might be asking a question about on the Hill.

". . . if a question came up and there wasn't a witness statement on it, the region would have to prepare a witness statement to make sure that our witness books were [complete]. . . ."

We would then, if a question came up and there wasn't a witness statement on it, the region would have to prepare a

witness statement to make sure that our witness books were ~~full~~ [complete].⁹

"We would go up to the appropriations committees and might have nine or ten, maybe a dozen, three-inch notebooks full of witness statements. . . ."

We would go up to the appropriations committees and might have nine or ten, maybe a dozen, three-inch notebooks full of witness statements.

How Witness Statements Were Used

Now, the responsibility of the program people that supported—like myself. I supported the chief of the Planning Division, who at the time was Dan McCarthy, and Cliff Barrett was the one for the 400 group and Langley was his boss. All of us would sit behind our respective bosses who were at the witness

9. 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 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.

table along with Dominy, and when a question was asked, it was our responsibility to have the witness statement that would answer that question. And so we would have to know what was in those particular notebooks and be able to pull out the witness statement. Our boss would sit there with his hand behind his back and expect to have a witness statement placed in his hand that he could review and slip to Dominy if Dominy hadn't answered the question yet.

Floyd Dominy's Skill as a Witness Before Congress

Now, Dominy had a super skill of starting to talk, and he would talk and start to answer the question, and by the time he got two or three sentences into his answer, he kind of expected to have a witness statement in front of him. He would continue to talk as he reviewed the statement and just merge the statement right in, the answer right into his statement, so he answered it. There were very few questions that were not answered for the record. If they were asked, they were answered correctly. So that's one of the reasons that Floyd had a great reputation up on the Hill, because he knew the answer. In *most* cases, he knew the answer off the top of his head because we had gone over the same question with the

regional people when they were in for the skull practice.

Then Reclamation's Hearings Would Take Three Days

Now, at that time our hearings would take maybe a total of three days. We'd spend three days, the mornings would be with the House Appropriations Committee. Then over the lunch hour we'd move everything over to the Senate side of the Capitol building and have a three- or four-hour session with the Senate Appropriations Committee.

Senator Carl Hayden established an Appropriations Subcommittee Just for Reclamation

Prior to the '68 or '69 hearings, Senator [Carl] Hayden from Arizona had established an Appropriations Subcommittee that just dealt with the Bureau of Reclamation. In '69, Hayden was *gone*, and the senator from Mississippi—

Storey: Stennis is the only one I know.

Senator James Eastland's Handling of Reclamation after Carl Hayden Retired

Klostermeyer: No, the one prior to him. His last name started with an "E."¹⁰ I'm not even going to try. I can add that later, I guess. Anyway, he had been the chairman of the Public Works Appropriations Subcommittee on the Senate side and apparently was a little put-off because Hayden had taken Reclamation away from him and had his own subcommittee. So when the Reclamation came back under the Public Works committee— [Eastland,] EHender, Senator EHender, I think, was his name, from Mississippi. When Hayden left and Reclamation came back under his committee, he spent an *extra* amount of time grilling the commissioner about the Bureau of Reclamation. So we would have hearings that would run from about two o'clock to four o'clock for maybe three or four days a week, as compared to now.

Now less Time Is Devoted to Reclamation's Hearings

I'm not sure that Reclamation as had a hearing before the Senate Appropriations Committee for the last two-, three years, and the hearings before the House

10. James O. Eastland after serving in various state offices was appointed to fill an uncompleted term in the Senate June 30, 1941 to September 28, 1941. He did not run for that vacancy, but subsequently ran for the Senate in 1942 and served in the Senate from January 3, 1943 to December 27, 1978, at which time he resigned and did not stand for reelection.

committee generally lasted two hours or one morning, and an hour-, hour and a half of that is taken up by the secretary talking. So hearings are a lot different now than what they were back when I started, which is probably for the better.

The Pages Fell Out of Dan McCarthy's Hearing Notebook

That was really my first experience dealing with Congress was at those hearings. A lot of interesting little things happened. I remember one day we went to the hearing and Dan McCarthy reached in his briefcase to pull out his hearing notebook and pulled it out and left all the pages in the briefcase. So there was a little sense of panic out in the air, and it taught us all that we would never buy three-inch notebooks that did not have some kind of positive lock on them so the pages wouldn't open when you pick up the back of the spline. It worked okay because I always made a duplicate of whatever I gave to Dan, I had the same thing in my notebook, so I just gave him my notebook and put the pages back in the notebook while the hearing was under way.

". . . you had to be *very careful* about how you named projects. . . ."

Also, it was at the time that you had to be *very careful* about how you named

projects. That year, in the GI [General Investigations] Program, we had a whole bunch of comprehensive studies that were being carried out with the Water Resource Council, and then we had in the Bureau of Reclamation a study that we called the Westwide Study, which again was a comprehensive study. The Water Resource Council studies were by river basins, so we would have maybe five or six major river basins in our appropriations book requesting funding for, and then we had the Westwide Study we were requesting funding for, and it seems like there was another one.

Well, when Senator [Eastland] Ellender got to [asking] answering questions about the Bureau's GI investigations, he went through it page by page, I mean study by study, and he asked a question about every study. We got to all those comprehensive studies, and the answers tended to become the same answer. If you're doing a comprehensive study, it's a comprehensive study. It just happens to be of the Northwest, the Columbia Basin or the Missouri River or the Colorado Basin or whatever. So Dominy's answers became pretty repetitious. And then we got to the Westwide study, and that, *again*, was about the same answer that he had just given five or six times before, and the senator was getting a little agitated and Dominy was getting very agitated.

The hearing was over and we went back to the office, and we hardly got into the office than Dominy was on the phone calling Dan McCarthy up front and read him the riot act for the way that the names all sounded alike and all the descriptions sounded alike. So the next year we had some major changes in project names, as well as changes in descriptions. That was kind of a situation where he didn't want to have any of those strange kind of things happen.

Became Chief of the Planning Policy Branch

I was program officer for planning. Then they established a Planning Policy Branch, and I moved into the Planning Policy Branch as branch chief. That branch had the responsibilities for coordination of all these comprehensive studies and the work with the Water Resources Council that was under way at the time.

Terry Lynott

Terry Lynott, who you mentioned earlier, came in. That's when he worked with Darrell Mach actually worked with me in that division, in that branch.

Geothermal Program in the East Mesa Area of California

The Bureau also had a geothermal program, fairly extensive geothermal program, underway at that time, out in the East Mesa area of California, south of the Salton Sea.

Reclamation Worked with the Office of Saline Water

The program was being carried out in cooperation with the Office of Saline Water.

"The purpose was to investigate the possibility of desalting geothermal waters. . . ."

The purpose was to investigate the possibility of desalting geothermal waters. Now, the waters in the Imperial Valley were brackish, but they were hard, and the thought was that you could use a flash process and desalt the geothermal waters and develop a water supply using just the natural heat of the earth. So the Bureau was doing—we drilled three or four geothermal wells out there and did quite a lot of research and, in fact, did desalt some water. The Office of Saline Water built a desalting plant out there, hooked it into the wells that we built, and desalted some water.

Now, it turned out that it was not a very economical way of developing water. A couple problems developed. The resource wasn't as hot as some of the

people thought it was going to be, and then *major* brininess was a problem, because there was a lot of excess brine because the water was very salty. But that was carried out by my division.

Storey: When would that have been that you went over to that branch?

Klostermeyer: That would have probably been in the early seventies, maybe mid-seventies, I guess.

Became Assistant Chief of the Program Coordination Division in 1979

And then I transferred from that branch over to the Program Coordination Division as assistant chief, where I broadened my responsibilities—instead of just looking at planning activities, looking at the whole program of Reclamation.

Responsibilities Broadened from Planning Activities to all Reclamation Programs

I was assistant chief for a year or two and then the chief retired, and [I] became division chief.

Became Chief of the Program Coordination Division

Selected to be Assistant Commissioner for Administration in 1981

Then at the beginning of the Reagan administration, 1981, I was selected as Assistant Commissioner for Administration. I moved up to the front end, working with Bob Broadbent, who was commissioner, and then worked with Bob Broadbent and [David] Houston as acting commissioner and Duvall as commissioner.

Left Reclamation in 1989

Then I left Reclamation in 1989, shortly after [Manuel] Lujan became secretary. Duvall was still commissioner. I left right before he left.

Storey: Why did you leave?

Offered Job Running Bookman-Edmonston's Washington, D.C., Office

Klostermeyer: Bookman-Edmonston came to me. They were looking for somebody to run their Washington office.

Morris Langley

Actually, Morris Langley came to me. He had been running the Washington office—started the Washington office for BE [Bookman-Edmonston] and came to me. He was retiring, and Mike Clinton had been in the BE office for a year or so

and the firm wanted him to move out to California, and so they were looking for somebody to run the Washington office.

"I had been in the assistant commissioner's job for eight years, and I could see that some things in the Bureau were changing, and it wasn't *quite* as much fun as it was when I first started. . . ."

I had been in the assistant commissioner's job for eight years, and I could see that some things in the Bureau were changing, and it wasn't *quite* as much fun as it was when I first started. I wasn't *quite* eligible for retirement, but I was able to arrange the situation where I could get a early out, and so I took a early out and left the Bureau. I went with BE. I figured that gave me a chance to change my career hat a little bit, and it's worked out super. I miss some of the people in the Bureau, but I don't miss, really, anything else that's taken place in the last five years.

Served as Budget Officer for the Department of the Interior for about Nine Months

Also, I might say during my career path that I did spend about nine months down as budget officer for the Department of Interior. I was down there when Secretary [William] Clark came in, so that would have been in about January

of '84, I think, '85.¹¹ Might have been '85. But Judge Clark came in. They fired a lot [of people] like over Christmas one year, and Clark came in shortly thereafter. He made some readjustments in his staff right away, and the Department ended up not having a budget officer.

So Broadbent, he had been made assistant secretary, and so he and some of the other assistant secretaries persuaded me to come down and become the Department's budget officer, since I had a good working relationship with one of the appropriations committees. Interior gets their appropriations from two committees, the Interior Subcommittee and the Energy and Water Subcommittee, and I had a good working relationship with both the House and Senate side of the Energy and Water committee, and so they figured that I only had to develop a relationship with the Interior committee on both sides, and there was a lot of help around for me on that. If they brought somebody new in, he or she was going to have to develop a working relationship with four committees. The budget had *just* been sent up to the Hill, and they didn't have time to go out on a big search.

11. Secretary of the Interior William P. Clark served from November 18, 1983, until February 7, 1985.

". . . I was detailed down there and stayed for about nine months and that decided my heart was still in Reclamation . . ."

So I was detailed down there and stayed for about nine months and decided that my heart was still in Reclamation and went back and took my assistant commissioner's job back.

Storey: Why did you decide you wanted to be a civil engineer? Did you actually go to be a civil engineer or did you just go to study engineering or how did that work?

Why He Chose Civil Engineering as a Profession

Klostermeyer: When I was in high school, I was good in math, I liked science, *hated* English and all that *stuff*. I had a *super* math teacher in high school who was a older lady at the time. We would call her old lady, but as you get approaching what age she might have been, she probably wasn't as old as I thought she was.

This Miss Dexter was a great math teacher. In fact, I think maybe was one of the first women to enroll in engineering at the University of Nebraska. She didn't graduate as an engineer, but she was in engineering college for a while. She put a lot of emphasis on engineering kind of activities in teaching some of the advanced math courses.

My associations with Paul Harley and some of the engineers that he had pulled in to help with the Boy Scout program. I guess I was more interested in the civil side than electrical or mechanical or anything like that, although mechanical might have been a thing that I *could* have gone in to because my dad was a machinist, so there was some kind of pull there. But I suspect it was just some of the early relationships that had been developed with civil engineers that steered me into that field.

Storey: I forgot to go back far enough to ask you when you were born. I presume it was about '35.

Born in 1935

Klostermeyer: Yeah, 1935. November 23, 1935.

Storey: Did your family live on a farm?

Klostermeyer: No. My dad was a machinist. He moved from Omaha. He was born in Omaha. His father was a blacksmith that had immigrated here from Germany, so Dad was first-generation in the new country. My grandfather had a blacksmith's shop in Omaha. He passed away when my dad was in about the eighth grade, so Dad quit school and went out to find a job to help support the family and became a machinist.

The Move to Grand Island

He had worked for a trucking company in Omaha in the machine shop, and they went on strike in the late thirties. And so Dad's brother, who was also a machinist, had moved out to Grand Island for a big machine shop there, and when the trucking company went on strike, my uncle suggested Dad come out and take a job in the machine shop. So they moved to Grand Island in about '39, and so that really became my home. I moved out there when I was four or five, about four, I guess. So I grew up in Grand Island.

Grand Island was not a very big community. It's the third-largest city in the state, but it's still not a very big city. My farming experience is just being surrounded by farms, and then obviously in Reclamation.

Paul Harley and the Work of the Grand Island Office

Storey: What was Paul Harley like as a manager for Reclamation?

Klostermeyer: He was a very, very hard worker, had a great mind, great *visionary* as far as being able to see how you could put projects together to make maximum use of the land and the water resources. I think he had started in Grand Island

about '48. He opened the office, I believe. As I said, they were working on a lot of different projects, all kind of associated with a Pick-Sloan Plan. They started at kind of the western edge of their area of responsibility and were working east with a project in each river basin. Paul was able to put together a very good group of dedicated engineers, and his work ethic just kind of spilled out onto the whole organization. He was very active in a lot of activities outside of work, active in his church, active in scouting.

Storey: And then you went to work for Reclamation, I believe it would have been the summers of '54 and '55.

Klostermeyer: No, '56 and '57.

Storey: Oh, okay.

Klostermeyer: '56 and '57.

Storey: What did you do the first summer?

First Summer Job Worked on Sediment Studies

Klostermeyer: I think the first summer, I spent—the first six weeks I spent working on some sediment studies to see how much sediment was moving down a river. There is a formula that's called Einstein something, but anybody that's been

involved in sediment studies have used it.

". . . at the time it was a *very slow* process. . . ."

Now, at the time it was a *very slow* process. I suspect it's all been loaded onto a computer now and it's very easy. But at the time, in order to figure out how much sediment was moving, you had to make a whole lot of assumptions, crank them through this elaborate formula, all, again, by just a hand calculator.

END OF SIDE 2, TAPE 1. JANUARY 26, 1995.
BEGIN SIDE 1, TAPE 2. JANUARY 26, 1995.

Storey: This is tape two of an interview by Brit Storey with William Klostermeyer on January the 26th, 1995.

You had to work these things through hand calculators.

Klostermeyer: Yeah, and if the formula didn't produce an answer that was close to what your assumption was, you had to change your assumption and then go through the whole thing again. So obviously it became a very complex, *time*-consuming thing in order to crank out your sediment loads. We were doing those to determine how much sediment would be coming into reservoirs, was the reason we were doing it.

Worked on a Survey Crew on the North Loup Project

I did that for about six weeks, and then it must have been that next six weeks that I went up to Ord, Nebraska, where the Bureau of Reclamation had a survey crew that was working on the North Loup Project, and then I spent the last six weeks working on a survey crew.

I was a little disappointed. I got up there about one week too late in some ways, because if I had gone up there earlier, they had just sent a crew out to Glen Canyon to do some of the early surveys on Glen Canyon, and had I gone up there earlier, I might have been able to have gone out and said, "Well, I was at Glen Canyon when they were still walking across the footbridge. Heights are not one of my favorite things, so I'm not sure that would have been that great walking across Glen Canyon on that little footbridge they put across on the early survey days.

Storey: What did you do on this—excuse me, go ahead.

Klostermeyer: Go ahead.

Storey: I was just going to ask what you did on this survey crew.

Survey Work on Calamus Reservoir

Klostermeyer: It was mainly topographic surveys of the reservoir area. Calamus Reservoir is in the sand hills, so they did all the surveys with plane tables and alidades. I was a rod man that just ran around holding up the rods so that the guy on the plane table could take his readings. But it was just basically surveying, topographic surveying. We didn't do very much triangulation or elevations or any of that stuff.

Second Summer Worked on Plan Formulation for the Mid-State Project and Did Some Surveying

The next summer, I was working in plan formulations. I spent the whole summer in plan formulation. The local people had a—there was a project called the Mid-State Project on the Platte River that a private engineering firm did the initial design work on, the layout for it. Some of the early funding was carried out by the local people, local water district, I think, Mid-State Reclamation District, and they finally came to ask the Bureau to work on that. What it was was basically a chain of reservoirs along the north side of the Platte River, all hooked together to provide a large water storage capacity. None of the reservoirs were very big, but they just dammed up a whole bunch of little gullies, really, that

were coming into the side of the Platte River.

I did some surveying that summer out there, checking some elevations that were not in geological survey maps ~~at the time~~ of that period. So they sent me out with a crew, and we ran some elevations, tried to verify whether those reservoirs actually—whether you built dams as high as the private firm suggested, then you could hold this much water. The second summer I did stuff like that.

Storey: Some office work? Am I understanding that correctly?

Klostermeyer: I did some office work. Obviously, when we went out and did the surveys, we had to come back in and transcribe our notes, that type of thing. The first summer, the first six weeks was all office work. Rather, the first half of the summer was all office work, and the second half, the survey work was all out of a field office, and that was almost all field work. The second summer was kind of a mixture of office and field work.

Storey: Were you working for Reclamation in the summer, *understanding* that you were going to have a job when you graduated?

Klostermeyer: At the end of the summer, they put me on educational leave. That gave me some credit for and some kind of assurance that

I would have a job the next summer. And then at the end of the second summer, they also put me on educational leave, and that gave me at least an "in" when I came back in '58 after I graduated. It wasn't necessarily a full commitment on the part of the Bureau, I guess, but they were honoring all those kind of programs.

In fact, there was another person, and I don't know if whether you've had a chance to interview him or not, but you might want to think about it, and that's—the name just went right out of my mind as I was thinking. He used to be the project manager at Grand Island up until about the last year.

Storey: Kutz?¹²

Klostermeyer: Kutz, Bob Kutz. Bob and I were at the University of Nebraska at the same time. He graduated in mid-year, and I graduated in June. Bob went to McCook and then I went to Grand Island, so our careers were kind of parallel, early on. Bob had worked several summers, longer than I had, for the Bureau. He had accumulated quite a few years of service, basically, because of working on summers for the Bureau.

12. Bob Kutz has been interviewed for Reclamation's oral history program.

Storey: I believe he just retired.

Klostermeyer: Just retired, retired last year. Bob spent his entire career in Nebraska, working for the Bureau, at McCook and then up at Grand Island.

Storey: Do you remember what kind of process you had to go through to be hired by Reclamation?

Klostermeyer: At the time I was hired, I think I just filled out an application, and sent it in, and was selected. As I said, Grand Island, they were always looking for summer hires and that type of thing, and I suspect they probably didn't have very many local applications. So by submitting an application wanting to work at Grand Island, I was probably, might have been the only local summer hire they had.

Storey: Tell me about your rotations when you first went to Reclamation.

Rotation Program When First Came to Reclamation

Klostermeyer: As I said, they had a real extensive vocational program, engineer-in-training program, and it was all handled out of the regional office. Everybody was funded from the region, and then they kind of left it up to each office to do the individual rotations, develop the

rotational schedule for each individual. In Grand Island, we would rotate between, since it was *basically* a planning office, we rotated between the plan formulation branch, we had a little engineering branch we spent some time in, we had a hydrology branch that we spent some time in. They kept engineers away from the economists. We didn't get any training from them. Then they would put us out on field assignments.

Working O&M on the Sargent Project

I indicated I spent some time up at Sargent in O&M.¹³ That was the first summer of full operation for that project. They would send you out to a field office, and sometimes you were a second left thumb in a office, so they put you doing just any kind of thing that came about. Some offices really utilized you. I went up to Sargent. I went out and did some ditch riding kind of activities, measuring the water and turning on the gates and the everyday kind of things that a project has to do. Back in those days, the Bureau of Reclamation always operated the project with Bureau staff for a year or two until they could train the local people to take over, and so all the employees on the job, particularly that year, were Bureau of Reclamation

13. Operation and maintenance.

employees. So all the ditchriders were Bureau people and all the mechanics.

Storey: Did you ride the ditches?

Klostermeyer: Yeah, I did.

Storey: What did you do when you were a ditchrider?

Working as a Ditchrider on the Sargent Project

Klostermeyer: We went out and opened up the gates, delivered the amount of water that the farmer had ordered. They had a gate system there that used a portable Spalding Meter, and so you had to take the Spalding Meter out of the pickup and hook it on to the gate and open the gate and read how much water was going out, the quantity of water flowing out, and then come back in another twelve hours or twenty-four hours, however long you were supposed to leave it open, verify that the same amount of water was going out, fill out all the forms, and compute the water that was delivered to the farmer.

Storey: How did you know they wanted water?

Klostermeyer: Well, they'd call in to the office and request water.

Storey: So it was done by telephone.

Klostermeyer: It was all done by telephone. Well, telephone or they came into the office, either way. It was a small town. Almost every day a farmer would at least drive through the town. The Sargent Project was not a very large irrigation project, probably less than 20,000 acres, maybe a little less. I'm not sure right off the top of my head.

Storey: So how many people do you recall being up there running the project for a small project like that?

Klostermeyer: If I said fifteen, I may be stretching the number. A couple of the people that were around there were really still construction people. The Bureau had the plan of finishing the Sargent Project and then moving the entire crew over to start to work on the Farwell Project, which was the next river basin over. Actually it was on the same river basin, but it was a diversion kind of project, and funding didn't match up and so ~~they still had~~ the construction engineers from Sargent were still there.

"The staff was probably bigger than what it needed to be because they were trying to hold some people in order to keep a crew together for the next project. . . ."

The staff was probably bigger than what it needed to be because they were trying

to hold some people in order to keep a crew together for the next project.

Storey: So this was really a brand-new project.

Klostermeyer: Yeah, brand new. Just finished up.

Storey: What kind of problems did we have with it?

Klostermeyer: Well, I was so new that I probably didn't recognize whether there were problems or not problems, although one of the things was the delivery systems. The Spalding Meter system wasn't working quite like they had originally envisioned. The Spalding Meter is a very accurate way of measuring water, but it has limitations apparently on the way it— whether you were really getting the amount of water through that the meter said. If it wasn't free flow on the downstream side of the meter, the meter might be showing a higher velocity, and therefore more water going through, than what would actually develop over a period of time. So you had to be careful. When you first opened the meter up and the water could flow freely, it was okay. But then as the farmer continued to irrigate, he would back water up against the meter, and so he was getting, really, less water than what originally you said he was getting.

There were minor problems like that. You ended up working them out. In the

long run, I'm not sure there was any—farmers were getting a lot more water—I mean, they would come in and order two acre-feet of water, and if they had been on a well, and a lot of those farmers had been irrigating before from wells, we delivered a measured two acre-foot of water to them over a day, and that was more water than they've ever seen before, even though the people that sold them the pumps for their well said like a 1,000 CFS gives you two acre-feet a day. [Unclear] numbers, I don't know. But anyway, they were getting a *lot* more water than they ever thought they would get, and so that created some problems. A farmer would come in and order a certain amount of water, thinking that would be the same as what he was used to taking out of his irrigation well, and it would be a *lot* more water than that. The *farmer* didn't know what to do with it.

Storey: So they had to become experienced with the system.

Farmers Had to Develop Experience with the New System

Klostermeyer: Yeah. You just develop the full experience and those problems get taken care of. Once in a while we'd have a farm module break and we'd be dumping water clear through the system, but generally not anything major.

Storey: When you were doing your rotations in Grand Island from office to office, were those generally office jobs?

Klostermeyer: Yeah, most of them were office jobs. It was a planning office. We did go out. Obviously, we tried to lay out all of our new systems on—projects that I was working on, the Cedar Rapids Project, the Elkhorn River Project, which had a different name, we did most of our *preliminary* engineering work on Geological Survey quad sheets. So we'd lay out a system and then we'd go out in the field and make sure we laid a system out that made some sense.

Worked a Lot with Farmers

We did a lot of work with farmers. I remember going up several times to O'Neill, Nebraska (that's up on the Niobrara River, about 100 miles north of Grand Island) when they were laying out the irrigation district. Most of those meetings were in the evening, so we would drive up—their attorney lived in St. Paul, Nebraska, which was between Grand Island and O'Neill—sometimes drive up to St. Paul and pick up their attorney and drive up to O'Neill and have a schoolhouse meeting, pin all the maps up on the wall and work with the local people and lay out the boundaries of the irrigation district. Since most of those required a vote, we bypassed people that

were known to be in opposition to the project and draw the project around them so they would not necessarily have a vote in the project, and they wouldn't be eligible for water. If you knew they didn't want water, why include them in the district? So we had a *lot* of that. We would do a *lot* of public involvement type meetings, even before that became a buzzword in Reclamation or anyplace. The concept of Reclamation was that we built projects at the request of the local people, and so you always needed to have the local people's input.

Cedar Rapids Project

We were working in the Cedar Rapids Project, on the Cedar River, and I spent one summer doing a lot of field work in measuring irrigation wells. Maybe it was a spinout of the experience in Sargent of people not knowing exactly how much water was coming out, how much water it was taking to irrigate certain things, but we went out and *measured* the quantities of water that was coming out of some of the different irrigation wells, the drawdown, all that kind of thing.

Storey: The depth of the water underground and those kinds of things.

Klostermeyer: The depth of the water while the well was pumping. Then we'd try and go back and

Bureau of Reclamation History Program

measure it when the well *wasn't* pumping. The quantity of water that was being put in the ditches.

Storey: That was while you were rotation engineer?

Klostermeyer: I'm not sure whether that was while I was rotational engineer or whether that was after I started working full time.

Storey: You did have one assignment in Denver during your rotation. What was that about?

Rotation Assignment in the Regional Office in Denver

Klostermeyer: That was in the regional office. I also spent some time up in Loveland on the Colorado-Big Thompson Project. Those were more—I was out in Loveland for about a week, I guess, because I remember taking my wife with me on that one. But that was just more for orientation kind of project. The time I spent in Denver was pretty much orientation.

Storey: Which branch or division or whatever, or just the whole thing?

Klostermeyer: I actually spent time in I guess all of the divisions a little bit. I remember working with the right-of-way people. It was really more of people that worked up the crossing agreements and that type of

thing, and then just rotated through a bunch of the other activities. Again, primarily since Grand Island was a planning office, my focus when I was in Denver was pretty much, outside of working with the crossing agreement people, which was, I guess, in the engineering branch, my focus was with the regional planning people. I did not ever have assignment in the chief engineer's office.

Storey: Well, I would like to keep going, but it's eleven o'clock, I'm afraid.

Klostermeyer: Holy cow. I see what you mean that time flies.

Storey: Yeah, it really does. I'd like to ask you now whether or not you're willing for researchers from inside and from outside Reclamation to use these tapes and any resulting transcripts for research purposes.

Klostermeyer: I don't think I said anything that I probably haven't said worse before.

Storey: So you're saying yes, right?

Klostermeyer: Yes, I'm saying yes.

Storey: Thank you.

END SIDE 1, TAPE 2. JANUARY 26, 1995.
BEGIN SIDE 1, TAPE 1. AUGUST 30, 1995.

Storey: This is Brit Allan Storey, Senior Historian of the Bureau of Reclamation, interviewing William Klostermeyer in his offices in Washington, D.C., on August the 30th, 1995, at about ten o'clock in the morning. This is tape one.

. . . rotation, you had an assignment in Denver. Could you briefly run over that for me again?

Rotation Assignment in Denver

Klostermeyer: I have to think back on this.

Colorado-Big Thompson Project

During the year that I was on engineer-in-training, I rotated through Denver, working actually through Colorado twice, once up at Loveland working on the Colorado-Big Thompson Project just for a couple weeks, seeing how a project like that worked, and then I rotated through the regional office in Denver.

Narrows and Two Forks Projects

At that time, they were doing some early work on the Narrows Project, which was basically a dam on the South Platte River near Fort Morgan, and they were working on the Two Forks Project, some of the early studies on the Two Forks Project.

Worked at Grand Island about Eight Years

Actually, as I recall, it was very educational, but it was kind of nondescript, other than the fact that after I went back to Grand Island, where I started my official career with the Bureau, and worked there about eight years on some of the projects, I think maybe we discussed earlier, in eastern Nebraska doing planning studies.

Worked on the Definite Plan Report for the Narrows Project

I worked in Grand Island about eight years and then was asked to come back to Denver and help with the write-up of the final, I think, definite plan report on the Narrows Project. I think I worked on some of the engineering portions of the Narrows Project, planning portions, writing up the alternative plan section and helping to finalize that report. That was sent back to D.C. to get that project authorized in the late sixties, mid-sixties.

Storey: While you were in Grand Island, what were you doing exactly?

Worked in Engineering Analysis Section in Grand Island

Klostermeyer: In Grand Island I worked in what was called the Engineering Analysis Section, and we did basically reconnaissance

studies for projects on some of the rivers in the eastern part of the state.

Mid-State Project

I worked on what was the Mid-State Project, which was a project on the Platte River. It was in the central part of Nebraska.

North Loup Project and the Calamus Dam

I worked on the North Loup Project. In fact, one of my first summers with the Bureau, maybe I mentioned earlier, was surveying up on the Calamus Dam site, and some thirty years later, when I was assistant commissioner, I had the pleasure of going out to dedicate that dam.

"That was always nice in a planner's career to see a project that you worked on in the early planning stage finally be completed. . . ."

That was always nice in a planner's career to see a project that you worked on in the early planning stage finally be completed.

". . . each of the river basins in eastern Nebraska was to be investigated and treated as a project under the Pick-Sloan Plan, so we just worked east from the Loup [River] basin to the Cedar River. . . ."

Then the plan was, as part of the Pick-Sloan Plan, that each of the river basins in eastern Nebraska was to be investigated and treated as a project under the Pick-Sloan Plan, so we just worked east from the Loup [River] basin to the Cedar River.

Cedar Rapids Project

I did a lot of the early planning for what was later called the Cedar Rapids Project, from which the Bureau prepared reports, but nothing ever was authorized on it.

Elkhorn River Basin

Then we did work on the Elkhorn River Basin, which was even further to the east, and a couple other little projects in northeast Nebraska.

"By the time the Bureau finished those studies, the support for irrigation development was pretty low . . ."

By the time the Bureau finished those studies, the support for irrigation development was pretty low, and nothing ever became of any of those studies, although there's still a Reclamation district in the Cedar Valley that have, I think, finally quit pushing for a Bureau of Reclamation project, but they do recognize that there's a need for some kind of water resource development and

management in the area. It might be a rural water project or groundwater stabilization, because this required a lot of irrigation, pump irrigation, sprinkler irrigation, in the area, and it's impacting their groundwater.

Storey: What do you recall of the way Reclamation looked at the studies at that time? Was it looking to see whether or not projects were feasible or was it looking to figure out what to develop? What was the thinking behind the planning process there—then?

Klostermeyer: Basically, there were some successful Reclamation irrigation projects being *built* in Nebraska at that time, down in the Republican Valley, out of the McCook office in the Bureau, out of the Grand Island office, the Sargent Project, and the Farwell Project, the Ainsworth Project were in various stages of construction. The North Loup Project was being designed as an irrigation project.

There Was Local Support for Projects

The local people were very supportive of wanting to have some kind of economic development in their area. Most of those areas had not started very much groundwater development. They were just kind of getting into the area. The Bureau was looking, at the time, at

pretty much all surface-type irrigation, so we basically laid out surface irrigation type projects and went through the economic analysis on those projects.

Most Proposed Projects Were Marginal but There Was Local Support for Economic Development

Most of them at that time were probably marginal, even with the Bureau studies, but the local people were anxious to get the economic development in the area. They were seeing it take place in other places in the western part of the state. So we were focusing more on irrigation development, surface development.

Storey: At that time, did you have any sense of how that local interest was focused on reclamation, how it came into reclamation?

How Locals Developed Support for Reclamation Projects

Klostermeyer: Oh, yeah.

State Reclamation Districts

Those people all formed under the state, they formed state reclamation districts, which allowed them to institute a tax on the district to finance some of *their* local costs. At the time, there was not a requirement for cost sharing between the

local people and the Bureau, but the local people were always very active in the Bureau development, encouraged the Bureau to attend all of the district meetings and they took an active role.

Storey: So that was sort of a local level. Did they use the congressmen and senators at all, or do you know?

Klostermeyer: Sure. For funding, that was always a way to ensure that their funding stayed in the Bureau's planning budget was to talk to their congressmen.

Storey: Let's see, am I thinking correctly? Warren Fairchild¹⁴ might have been back there then?

Klostermeyer: Yeah. Well, let's see.

Storey: I know he came to Reclamation under Ellis, I believe.

Klostermeyer: Yeah, and he came from Nebraska, but I'm not sure whether—I did *not* know Warren Fairchild when I was in Nebraska, but that does not mean he wasn't active at the time. He probably had to be in the state in order for him to come from a state water resource position back to Washington at the time he came

14. Warren Fairchild has been interviewed in Reclamation's oral history program.

back. But my job was such that I just didn't have contact with the state people.

Storey: You mentioned Calamus Dam. How is that spelled?

North Loup Project

Klostermeyer: C-A-L-A-M-U-S, Calamus.

Storey: That was part of a larger project, I take it.

Klostermeyer: It was part of the North Loup Project.

Storey: So did you work on any other parts of the North Loup Project besides the dam?

Klostermeyer: I worked on a lot of the distribution system in the planning stage of it.

Storey: And surveying.

Klostermeyer: Surveying primarily in the Calamus area. I was only in the field one summer, so the rest of it was layout studies and that kind of stuff.

Storey: Do you have any sense of how many projects you worked on studies for and how many were actually built?

How Many Projects Were Studied as Opposed to How Many Were Actually Built

Klostermeyer: Oh, man. In Grand Island, I did a little work on the Farwell Project, some of the

planning studies for the Farwell Project, although that was pretty well done by the time I started with the Bureau. The Mid-State Project, the North Loup, Cedar Rapids, Elkhorn, the O'Neill Project.

Storey: Which did go ahead.

Klostermeyer: No, it did not.

Storey: Oh, it didn't? I'm confusing it with something else, I guess.

Klostermeyer: I think they had a Gavins Point Project. That wasn't quite what we called it. It was taking water out of the Gavins Point Dam. Those were the ones in Nebraska. Of the ones I named, the Farwell Project has been built and the North Loup Project has been built. Those are the only two out of all of them.

When I went out to Denver, I went out and, as I said, did some work on the Narrows Project and then worked on the Two Forks Project, and neither one of them were built. The Two Forks Project was a two-dam project, the Two Forks Dam and then they had a dam downstream.

Denver's Strontia Springs Dam

Now, the dam downstream was built eventually by the city of Denver, Crystal

Springs¹⁵ or something like that. It's a diversion project for some of their water. Then the Two Forks Dam was a very controversial project. Being from Denver, you know about that one (**Storey:** Mm-hmm.).

And then I worked on some projects up on the Front Range, going up on the Cache la Poudre River, the St. Vrain, three or four on up there that were in process while I was in Denver.

Storey: And they weren't built?

Klostermeyer: None of those are built, that I know of. There may be portions of them that were picked up by some of the local people, but as I recall, none of those things have been built.

So then when I came back to D.C., about nine months after I got back here, I went back into the planning division and, of course, kind of oversaw all the projects that were being planned throughout the Bureau, not that I had very much to do with the actual planning of those. Most of my role in those

15. Strontia Springs Dam is 243 feet high, backs up the South Platte River for 1.7 miles, has a surface area of 98 acres, and a storage capacity of 7,700 acre feet of water. Water is diverted from the reservoir into a 3.4 mile-long tunnel under the mountains to the Foothills Water Treatment Plant. Source: <http://www.denverwater.org/recreation/strontia.html> on November 9, 2006, at 9:15 A.M.

projects was to get funding for them so that planning could continue, and probably very few of those have been built.

". . . I think the Bureau did a complete coverage of potential projects in the West. Just about every river basin, every potential dam site, . . . had been studied at one time or another. Obviously, more were studied than ever possibly could be built. I think that's just the nature of the game. . . ."

If you look at the Bureau's overall planning program, I think the Bureau did a complete coverage of potential projects in the West. Just about every river basin, every potential dam site, where there might be a opportunity to develop some water, had been studied at one time or another. Obviously, more were studied than ever possibly could be built. I think that's just the nature of the game.

Storey: Is that for political reasons or monetary reasons or what?

Congress Required Many Studies for Political Reasons

Klostermeyer: I think early on it was monetary. I mean, things that maybe look good on the surface, when you got out and started really doing the engineering work you found that they were no longer feasible. People a lot of times *pushed* their

congressmen to have the Bureau do studies that were probably not appropriate, at least were not feasible.

"I guess in planning even a 'no' is an answer to a question, *no* it's not a project, and until you go through the studies, you really don't have that *no* to give to somebody. . . ."

I guess in planning even a "no" is an answer to a question, *no* it's not a project, and until you go through the studies, you really don't have that *no* to give to somebody. I'm not sure whether that's a valid justification for people pushing for a study.

"The Bureau had a lot of write-in studies . . . It was always easier for a congressman or congresswoman to add into the appropriations bill . . . for the Bureau of Reclamation to make a study. . . ."

The Bureau had a lot of write-in studies by local people going to congressmen and say, "Hey, this looks like a great deal. It would be super for your district. Fund the Bureau to make a study of it." It was always easier for a congressman or congresswoman to add into the appropriations bill \$50,000 or \$100,000 or half a million dollars for the Bureau of Reclamation to make a study than it was to push for the legislation to authorize that project and then start looking for *millions* of dollars to construct a project.

"I think Congress in some cases added money, just to please their constituents . . ."Look what I did for you."

I think Congress in some cases added money, just to please their constituents, to the Bureau's planning program, and adding \$50,000 or \$100,000 a year allowed them to go back and say, "Look what I did for you." Whereas, if that project went through, and the Bureau completed the study, and it showed it was feasible, then the congressman would really have to do some work to get it authorized and to get the level of construction funding that was needed in order to complete it.

"And you complete the project, and then two years after it's completed the constituents are going to come in and say, 'You haven't done anything for us for two years.'"

And you complete the project, and then two years after it's completed the constituents are going to come in and say, "You haven't done anything for us for two years." I think some congressmen hoped the Bureau would never finish a study, because it was a lot easier to throw out little bits of money to the Bureau to continue the study. Then they blamed the Bureau for not finishing the studies, but in reality I don't think they ever wanted the studies to be finished.

Storey: Who was the manager out at Grand Island when you were there?

Paul Harley

Klostermeyer: Paul Harley, H-A-R-L-E-Y.

Storey: What was he like? Did you know him?

Klostermeyer: Yeah. Actually, he was the guy who kind of got me into the Bureau of Reclamation. He came into the area as area manager in Grand Island in about '48 or '49, whenever they first established the Grand Island office, and he was a great visionary and a great planner in his own right. He was active in some of the early planning for the Reclamation part of the Pick-Sloan Plan, and he and some of his early colleagues did some of the rough layouts of the different potential projects that were originally included as part of the Pick-Sloan Plan.

Paul attended the same church that my parents and I did, and my parents and the Harleys became very good friends, and so I knew Paul. He was active in the Boy Scout troop as adult leader that my dad was active in, and I was active in. I remember on early Scouting trips we would go up to the area that is now part of the North Loup Project. There were some streams up there that had great camping grounds, and we'd go up there camping. Paul always made sure that at

least a *portion* of the time that the troop was out there we looked at potential dam sites and talked about how you could make use of water and do irrigation and that kind of thing. He also had a very close relationship with the Fish and Wildlife people that were stationed there in Grand Island, so we always had some of the Fish and Wildlife people tied in with the Scout troop. So when we were going out on a camping trip, they were along explaining Fish and Wildlife things—trees, rivers, whatever.

Storey: What was Mr. Harley like in the office?

Klostermeyer: He was a very dedicated and hard-worker. He was *easy* for a lot of people to follow. Obviously, I was several layers below him organizationally, so I never had a one-to-one relationship with him as a supervisor/employee.

"Harley was a great believer in professional training, so we always had a big pool of student engineers, engineers-in-training . . ."

The office, as a whole, front and back, was always well run. Harley was a great believer in professional training, so we always had a big pool of student engineers, engineers-in-training, people just right out of college, and he made sure that a program was set up so that you got sufficient rotation among the different disciplines so that a young

engineer had a chance to see all the different things that were available in the Bureau. I think Paul was well respected among his peers in the region and the Bureau offices for the thoroughness of the reports that came out, the high quality of the reports that came out of the Grand Island office.

Harley Became Director of the Missouri River Basin Commission

When he left the—I don't know whether he left the Bureau. When he left the Grand Island office, he moved into Omaha and was the director of the Missouri River Basin Commission. He must have still been with the Bureau for that, when he was serving in that capacity, and he served in that job, I guess, until he finally retired.

Storey: Tell me about how *planning* reports were done in those days in Reclamation, where was most of the work done, who was responsible, all that kind of thing.

Doing Planning Reports at Reclamation and Submitting Them for Review

Klostermeyer: Obviously, as it is now, I think most of the work is done at the field level in field offices. A lot of it in planning work is office work done off of whatever maps that are available. Early in our studies in projects like on the Cedar Rapids and on

the Elkhorn River the maps were fairly limited. We did a lot of stuff off of U.S. Department of Agriculture aerial photos. The Geological Survey was *just in* the process of completing geological quad sheets for eastern Nebraska, so we sometimes would work off of very preliminary GS quad sheets to lay out canals.

A lot of our work was reconnaissance studies, so we really didn't have to have real detailed mapping. As we approached more feasibility study levels, we had local survey crews that we could send out and might be stationed out there to do more detailed surveys of canal alignments and that type of thing.

The work was done, as I said, the early work was done all in the office off of whatever maps we had available. We would put together a reconnaissance report or a feasibility report or whatever we were working on at the time, when the report was finished it would go on to Denver for review and finally back to Washington, D.C., for review.

Storey: To Denver, meaning . . .

Klostermeyer: To the regional office and to the chief engineer's office for review of the engineering structures.

Storey: Did it then become the regional director's report or what?

Klostermeyer: It became the regional director's report, and the regional director then sent it back to Washington for final review and processing up on the Hill, if that was the case.

Storey: Now, I thought I understood that later on planning was moved out of the project offices into the regional office.

Planning Moves from Project to Regional Offices

Klostermeyer: Yeah. Over *time* that kind of took place, but still a lot of it—as long as you had a field office, there was a lot of planning taken care of there. The Bureau in the late seventies and the eighties went through a process of trying to consolidate their activities, and so they did *abolish* a lot of the field offices and moved that work into the regional office.

Primarily, there was the thought that, if you continue to have a field office, you would continue to plan in the area, even though it was no longer an efficient kind of planning. You were planning for things just to keep people planning. If you abolished those field offices and moved the work into the regional office, it would become a more efficient operation. You would not plan things

that were no longer worthwhile planning. The studies that were worthwhile to plan, it was probably not a very efficient way of doing it, because you were a long ways away from the local constituents, the people that were doing the planning did not *know* the area, and the *thought* process was, you would ship a crew out to the area, do the planning study, and then move them back. Well, that wasn't very effective, either.

I think it accomplished what the Bureau wanted to accomplish. It reduced some of the continual planning in a office that really wasn't a very effective—

END OF SIDE 1, TAPE 1. AUGUST 30, 1995.

BEGIN SIDE 2, TAPE 1. AUGUST 30, 1995.

Storey: You were saying that the Reclamation had sort of accomplished what it was looking for.

Klostermeyer: Yeah. At that time, the number of projects that were being moved forward through Congress for authorization was pretty low anyway, so I think it accomplished what we were setting out to accomplish by consolidation of the planning function.

Storey: And eliminating some of the planning that wasn't really going to be necessary.

Klostermeyer: Yes.

Storey: Good. Tell me about socialization at Grand Island. Was there socialization within the office, after office hours, during office hours?

Social Activities at the Grand Island Office

Klostermeyer: Oh, yeah. Probably in my career, that was where there was more interoffice socialization than in any place that I have ever been. Part of that was because Grand Island being a small town, there was 25,000 people or so at the time, so your circle of friends was fairly limited. Outside activities were kind of limited. The Bureau's office was a fairly large office. We may have had 200 or 300 people there. Well, a couple hundred people towards the end of my stay there in Grand Island. We also had, as I said earlier, Paul Harley and his staff there really encouraged a lot of young engineers to come back.

The Grand Island Office was Quite Large in the 1940s, Early-1950s

The Grand Island office had been a *very large* office in the early fifties, late forties-, early fifties, and they were doing a lot of studies. Then they went through a major reduction in force in I think it was '53.¹⁶ So when I first started with the

16. There was a major reduction in force at Reclamation after
(continued...)

Bureau as engineer-in-training was about the summer of '54 ['56], maybe, and so the office was pretty low staff-wise. And then when I came back with the Bureau full time—no, I started in '56, excuse me, the summer of '56. When I came back with the Bureau in '58 full time, they were just starting to pick up in numbers. So we had maybe a dozen young engineers right out of school. We all had the same financial situation—broke and looking forward to the time at some time in our career we could make \$10,000 a year and be fat, dumb, and happy. We were all starting families. We had an awful lot in common. So during that period of time, we developed a *good* relationship with a lot of people. We played softball and get together for picnics, get together for parties and cards and whatever activity was going on that we could participate in. We had people from all over the country coming in. We had close friends from Texas and Mississippi and Colorado.

Storey: Do you remember any names?

Klostermeyer: Yeah.

Bill Ruth

16. (...continued)
Dwight D. Eisenhower took office in 1953.

Oral history of William C. Klostermeyer

We had Bill Ruth, a family out of Texas. Bill's with the International Boundary [and Water] Commission¹⁷ down in El Paso now.

Dick Nash

Dick Nash was a great engineer out of Colorado. He's passed on.

Ron Wilhite

Ron Wilhite was out there. Ron went on to become the small project loan officer out in Denver.

Bill Lee

Bill Lee, a guy out of Mississippi, William Jackson Lee out of Mississippi, kind of lost track of where he went.

Darrell Mach

17. "Established in 1889, the International Boundary and Water Commission (IBWC) has responsibility for applying the boundary and water treaties between the United States and Mexico and settling differences that may arise out of these treaties. The IBWC is an international body composed of the United States Section and the Mexican Section, each headed by an Engineer-Commissioner appointed by his/her respective president. The United States Section of the International Boundary and Water Commission (USIBWC) is headquartered in El Paso, Texas." Source: <http://www.ibwc.state.gov/> visited on November 9, 2006, at 10:20 A.M.

Darrell Mach out of Oklahoma recently retired from the Bureau.

Storey: Recently retired as budget officer.

Klostermeyer: As budget officer. Off the top of my head, those were the—

Storey: Was it a small group or was it the whole office of 200 that tended to socialize?

Klostermeyer: No. We had a wide range of ages, so we had a close-knit group of the people that were all the same age, all of us that were just getting started in our careers. But we would have office picnics that would be the whole office. We had a lot of division activities and that type of stuff. Thinking back, you think about it being a wide diversity of ages, but in reality it probably really wasn't. It was probably a max of twenty years between the people that were just getting started and the older people in the office at the time. But when you're twenty, a forty-year-old looks pretty old.

Storey: In Grand Island, we did not have a camp or anything. There wasn't government housing.

Grand Island Office Was in an Old Military Hospital

Klostermeyer: No, there wasn't government housing in Grand Island. The office was housed in a

old military hospital out at the old Air Force base. It had been built in World War II as temporary quarters, and this was in the late fifties and sixties, so the temporary quarters were getting a little sad.

Storey: You were in those all the time you were there?

Klostermeyer: All the time I was in Grand Island. They have since moved the office from those quarters downtown. They built a new post office building, so they turned the old post office building into a Federal office building, but that was done long after I left the Bureau, not the Bureau, but left Grand Island.

Storey: Was the office air-conditioned?

Klostermeyer: Yeah, it was, through these *great big* air-conditioning units that would set at the end of a room and pump air through a duct. It wasn't too bad. They were refrigerated, the units.

Storey: How did the office work? Is junior engineer an inappropriate term? You would draft up things that had to be typed or something? How did the work flow through the office?

Klostermeyer: Of course, being an engineer we were working on maps and doing drawings and engineering designs and that kind of

stuff. We had a lot of freedom in the laying out of canals and making up cost estimates. We'd put them together, and they would be reviewed by our supervisor, generally kind of on a continual basis.

Our part was really just kind of a small part of the whole package. In our engineering analysis section, we'd lay out the projects, turn our layouts over to the design group, and they would make some more of the design, have the hydrology people involved in doing some work for us. Of course, we interfaced with all of the land classifiers in order to determine the quantity of water that was going to be needed for irrigation.

So the office really worked, looking back, I think fairly smoothly. Our projects were, I guess, probably not that *complex*, and the detail that we got into wasn't necessarily that great because of the level of the study that we were doing on a lot of the projects. We had, I think, good supervision from the supervisors, the senior guys that were there, and good input, so that we weren't going too far *afield* in things that we were proposing.

Storey: Who was your supervisor?

Shorty Lewis

Klostermeyer: I had several. Shorty Lewis was one of my supervisors when I was in engineering analysis.

Lorne Higgs

Lorne Higgs [phonetic], I guess he was probably the division chief at the time, branch chief [or] division chief.

Johnny Mayne

Johnny Mayne was the head of planning. He was one of my supervisors as a hydrologist when I first got started, and then he was head of planning.

Gene Kreckie

I guess my very first supervisor when I started with the Bureau was Gene Kreckie [phonetic]. Those were my engineering supervisors. Then Gene and I worked together out in Denver. Those were my supervisors in Grand Island.

Storey: What were they like?

Klostermeyer: Very professional. I still remember, and I joke about it every once in a while with some of my colleagues, particularly now since they have these casual Friday days over in Interior and other places, where people come in looking like they're on vacation on Friday. John Mayne, as part of our engineer-in-training program, we

used to have weekly meetings where we'd sit down and they would go over all the different aspects of the Bureau.

One of the first meetings, he told all of us that we were now professionals, and if we wanted to be professionals, we had to dress like professionals. We all just *assumed* that that was part of our dress, to wear a suit and tie. During the summer it gets pretty hot out in Nebraska, and sometimes we would leave the jacket off. Might even leave the *tie* off during, say, August. But we'd come in dress slacks and a nice-looking dress shirt. We would *never* think about wearing tennis shoes and jeans, or shorts, or anything like that to the office.

"John Mayne graduated from the University of Nebraska and just kind of dedicated his life to engineering in the state . . ."

John Mayne graduated from the University of Nebraska and just kind of dedicated his life to engineering in the state, and he spent his whole career in Grand Island. After Harley left, he became the project manager for the Grand Island office, until he retired, and was always involved in water for Nebraska.

Lorne Higgs

That was pretty much the kind of people we had. Lorne Higgs, who was one of the senior engineers there, I don't know exactly what his title was, but he was on the survey crew on the Colorado-Big Thompson Project, party chief or something or field engineer or something, and was particularly proud of the accomplishments that the Bureau engineers did on the survey work on the [Alva B.] Adams Tunnel, which was apparently very accurate at the time for the capabilities. It was state-of-the-art at the time, which were just basically transits.

The whole group was just really a dedicated group of professionals. It was a good crew to start off with, a lot of pride in what they were doing, a lot of pride in the Bureau of Reclamation. It was good grounds for developing into a professional engineer with the Bureau.

Storey: There wasn't any interoffice rivalry or anything?

"When I was assistant commissioner, I really didn't participate in interoffice politics too much. There's too many good things to do without screwing around with all that negative. . . ."

Klostermeyer: No, not really, although I'd probably be the last to know. When I was assistant commissioner, I really didn't participate

in interoffice politics too much. There's too many good things to do without screwing around with all that negative. So I was always the last one to hear a rumor or be involved in that. If I could avoid it, I didn't pay any attention to it.

So there *might* have been some in the office, but it was over and above me if it was, and I didn't pay any attention to it. I didn't see that that was taking place. There wasn't anybody in the office that I wasn't a friend of. Yeah, you would always have arguments every once in a while between one group and another, but most of those were debating legitimate issues. You'd get mad at somebody, but the end of the day it was all over and you were pitching horseshoes or something like that.

Storey: What was Grand Island's attitude about in relationship with the other offices in Reclamation—the regional office, the Denver office, the Washington office?

"There was a *little rivalry* between Grand Island and McCook just because we were both in Nebraska and we were both about the same size of offices. . . ."

Klostermeyer: Like I say, I think the Grand Island office was always regarded fairly high. There was a *little rivalry* between Grand Island and McCook just because we were both in Nebraska and we were both about the

same size of offices. A lot of people came from McCook to Grand Island.

McCook Was a Construction Office and Grand Island Was a Planning Office

When they started construction up on North Loup and Farwell, a lot of those construction people and design data people came from McCook, because they had construction going on in McCook before Grand Island had any construction, and so those people went up there, and Grand Island at the time was principally a planning office. So there was a little, I guess, rivalry then. Here comes in a bunch of new people and they want to re-design, re-think some of the things that the engineers in the Grand Island office had laid out for a project, so there was some competition there. That was not necessarily between the McCook office, but it was between the construction office and the planning office.

"The guys . . . that planned them originally, or even in Denver, the design, kind of saw that the construction people, when they got out in the field, didn't like the location and would make changes and this kind of thing. . . ."

I don't think that rivalry probably has ever ended in the Bureau until the Bureau stopped planning projects. The guys out in the field that planned them originally, or even in Denver, the design, kind of

saw that the construction people, when they got out in the field, didn't like the location and would make changes and this kind of thing. That probably is no different than any other organization, and like I say, I think it's probably continued up into the Bureau until the Bureau stopped planning and building projects. So there was that kind of rivalry, interreaction.

But as far as the Grand Island office and the Denver office, I think there was a good solid relationship between the two because the product that came out of the Grand Island office was a *good* product. And the likewise going on into D.C. The reports that went into D.C. from the Grand Island office I think were fairly well received.

"You know, back in the fifties and the sixties, there really wasn't a whole lot of day-to-day communication between offices. . . ."

You know, back in the fifties and the sixties, there really wasn't a whole lot of day-to-day communication between offices. You had a job to do in the field office, and you did your job. If you completed it, you sent it in to the next level, the regional office, for review, the

E&R Center¹⁸ for review by the chief engineer.

"It was a rare occasion when somebody from the chief engineer's office or the regional office came out to the field. . . ."

It was a rare occasion when somebody from the chief engineer's office or the regional office came out to the field. My first trips into Denver, we took the train in from Grand Island, because air transportation was almost nonexistent. So because of the lack of transportation, you didn't move around quite so much.

"So if you made the trip, you thought about it for a bit. You didn't have faxes. You didn't really use the telephone that much. . . . back then you *didn't* pick up the telephone and call Denver or call the region. . . ."

So if you made the trip, you thought about it for a bit. You didn't have faxes. You didn't really use the telephone that much. Now you think nothing of picking up the telephone and calling any place in the world, but back then you *didn't* pick up the telephone and call Denver or call the region.

Storey: Why not?

18. Engineering and Research Center was the name applied to the Denver office at that time.

"The Bureau used to be very *formal* in the relationship between the various levels. . . ."

Klostermeyer: The protocol was that you solved issues locally, and then if your supervisor or the project manager thought there was a problem, *they* would call the particular person at Denver or the regional office. The Bureau used to be very *formal* in the relationship between the various levels. That formality over the years has disappeared, I don't think completely, but it's been softened a lot. During the late fifties, early sixties, probably into the seventies, there was a fairly defined partition between each of the levels.

Storey: Did you ever have a need to travel someplace when you were in Grand Island, like Denver or Washington?

Klostermeyer: Never came back to Washington while I was in Grand Island. I went to Denver a few times, and I either—depending on how long I was going to be. When I went to Denver, for instance, on my engineering rotation program, I took my wife and son with me, and we drove, obviously. If I went on business, we generally took the train.

Travel by Train from Grand Island to Denver

The City of Denver came through on the UP [Union Pacific Railroad] line, and we'd get on there about eleven o'clock at

night, be in Denver at eight o'clock in the morning, had a sleeper and so we could sleep, and then pull into the—I don't know what time it pulled into the railroad yard in Denver, but the porter would come around about eight o'clock and wake everybody up. So that was really the way that we traveled between Denver and Grand Island.

Storey: But it was unusual for you to do that.

Klostermeyer: Yeah. I probably only made three or four trips, until I transferred out to Denver. Well, maybe a few more than that, because right before I transferred I was going out fairly regular, because they were wanting me to come to Denver. I was working on this report on the Narrows Project. They wanted me to come, but yet I had some obligations in Grand Island. I was serving on the city council, and the city was in the middle of selling some *bonds*, so I really couldn't accept the assignment in Denver yet. I did a little more traveling between Denver and Grand Island towards the end of my career in Grand Island, but *prior* to that there wasn't a lot of traveling.

Storey: So, sort of the image I'm getting is that the Narrows Project was heating up and they wanted you in the regional office in Denver for planning?

Klostermeyer: Yeah. A couple things had happened in Denver. They had a, I think it was called the South Platte Development Office, which was principally a planning office. It was located in Denver, and they had the regional office in Denver. As part of a consolidation move, cut back on staff, save some money, they decided to consolidate the Denver office, the regional office. They decided to consolidate the South Platte Development Office with the regional office, move it into the planning staff, the regional planning staff. So in the process of doing that, they decided they really needed somebody to kind of coordinate the work that the former regional office staff was doing and the work that the development office was doing.

Moved to Denver to Help Coordinate Planning for Project Work

Again, because of the more formal relationship that they had at the time, even though the offices had been combined there was still, in the minds of at least some people, the need to wear one hat when you were a regional person and another hat when you were a development office person, somebody that was doing the initial planning in the case of the development office, and in the case of the regional person being the one that was *reviewing* the work that had been done by the planners. They felt a

need to have a program coordinator in the planning office to coordinate the planning work, coordinate the regional work, and then to coordinate *all* the planning work within the *whole* region.

So that job came open, and then there was another job at the same grade level, and they were looking to fill both of those. I came in and took the coordination job, and another guy from Grand Island actually came in and took the other job. It was a promotion for both of us, and some of the work level at Grand Island was dropping off, so it was a good opportunity.

Storey: Were you asked to apply? Did you apply? How did that work?

Asked to Apply for a Job in Denver

Klostermeyer: I guess I had been coming into Denver, working on the Narrows Project, helping them write this report, finalize this report, and during that period I guess somebody told me that these two jobs were coming up and asked me to apply for one of them. Yeah, I guess I was asked to apply.

Storey: At what level would that have been then?

Klostermeyer: It was a GS-11 at the time.

Storey: What did you start at at Grand Island?

Bureau of Reclamation History Program

Klostermeyer: I guess my first job was a GS-3 as a student trainee.

Storey: That's your summer job.

Klostermeyer: Um-hmm.

Civil Service Grades in Grand Island and Denver

Storey: And then when you came permanently?

Klostermeyer: I guess I came on as a—I might have come on as a 7, but I might have started as a GS-5 for maybe three months and then was promoted to a 7. And then I finally got my 9 by applying for a job someplace else and being accepted, and before I left they offered me a 9 to stay, so I stayed, and then went to Denver. Maybe I went to Denver for a 12. I don't know, 11 or 12, I'm not sure. It was a long time ago. I had spent, by that time, eight or nine years in the Bureau. Now new engineers get up to 13s and 14s in probably less time than that.

END OF SIDE 2, TAPE 1. AUGUST 30, 1995.

BEGIN SIDE 1, TAPE 2. AUGUST 30, 1995.

Storey: This is tape two of an interview by Brit Storey with William Klostermeyer on August the 30th, 1995.

Klostermeyer: I think that *now* engineers go up the ladder pretty fast. At that time, it took a

little bit longer. We were either not deserving of higher raises or they just thought that you had to know more before you got paid [unclear] schedules.

Storey: So you moved to Denver as the regional planning coordinator, is that right?

Klostermeyer: Yeah.

Storey: Was that a supervisory position?

Klostermeyer: No. I was really pretty much on my own. I worked with all the divisions in the planning branch, all the branches in the planning division. Worked very closely with the budget division in the region. But I was really kind of a lone horse.

Storey: What does being a planning coordinator involve?

Klostermeyer: Basically, it was making sure that—it was kind of a budget person, making sure we had the budget for all the different programs that were being carried out in the region; coordinating the activities within this regional office, since they were doing both field planning, if you will, as well as the regional oversight activities; and then coordinating the overall planning budget for within the whole region, all the different field offices that were still in existence—Grand Island, McCook, Casper, I guess we had an office.

Storey: I have a note that says Bill Martin comes in somewhere here between Grand Island and Denver.

Bill Martin

Klostermeyer: Bill Martin¹⁹ was at Grand Island. That was another name I overlooked. Bill Martin was at Grand Island,

Frank Ellis

Frank Ellis was at Grand Island. Bill moved from Grand Island to Pueblo, I believe, as a— maybe to the region and then to Pueblo, but he was working down at Pueblo, and then he moved back to Washington, D.C., maybe shortly before I did.

Storey: Did you work with him out at Grand Island?

Klostermeyer: I worked with him out at Grand Island when he was an economist. I worked with him when he was down at Pueblo, and I was up at Denver in the regional office. That was another field office that did some planning that we coordinated out of the regional office. And then obviously I worked with him when he was back here and when he went out to be regional director and so forth.

19. Bill E. Martin has been interviewed in Reclamation's oral history program.

Storey: Thinking back to those days, what was he like in those days?

Klostermeyer: Not much different than he is in today's date—very professional individual, good humor, fun to be with, and a good economist. Of course, in those days *all* of us were in a discipline. We didn't relate with each other as being senior *people* in the Bureau. We were all just getting started. So we looked upon each other probably more for our interpersonal skills, if we had any, and our professional skills, if we had any of those. Of course, Bill had both.

Storey: Moving to Denver, did it disrupt your family or anything there?

Klostermeyer: No, not really. I'm fortunately married to a great lady that has always been a great supporter of me and my career. When the opportunity to move to Denver came up, she was right in line and ready to go. Our kids were, our oldest was probably going into the second grade by then, our oldest daughter was maybe heading into kindergarten by the time we moved out to Denver, and then our youngest one was just still two or three years old. But the family adjusted real well, and we didn't have any problems.

Storey: Did Reclamation pay your moving and everything?

Moving Expenses Were Paid by the Pound and Most People Moved Themselves

Klostermeyer: Yeah, they paid for the move. At that time, you got paid so much a *pound*, and so most everybody that moved out of Grand Island rented their own truck. We would all pitch in and load up the truck, and then you would drive to your own place.

That was about the only way you came out so that you weren't *really* in the hole. I don't know that anybody *ever*, *even today* with even better moving rates, I don't think anybody ever makes any money on a move, but in those days, if you would do like you do now and call up a mover and have him come out and pack and professionally move you to another location, what the government was paying would not cover that. Just to keep from going extremely deep in the hole, most everybody moved themselves.

At least most everybody who left Grand Island moved themselves. I can't speak for other places. But I just know that the time I was moving, a *lot* of people were moving from Grand Island to different locations, and we would all go over and help pack people up, load them in the truck, head them on out. We would do that whether they were moving out of town or moving from one house to another in Grand Island. That was kind

of a community thing to go over and help them all move and have a little picnic afterwards. [Tape recorder turned off.]

So anyway, the government did pay, but we did most of the work ourselves.

Storey: At this stage, this would have been your first move in Reclamation, and I guess the first big job change?

Klostermeyer: Pretty much, because I started as a student trainee at Grand Island and then stayed on there for about eight years.

Storey: Did you have a career plan or anything like that?

Did Not Have a Planned Career Path

Klostermeyer: I suspect not. I took things as they came. I knew I wanted to probably eventually go into the regional office, but to say that I had a career path written out on a piece of paper that said I would eventually become assistant commissioner in Washington would not be true.

Storey: Didn't have one in your mind, either?

Klostermeyer: I don't think I ever had one in my mind. Like I said earlier, I remember, as new engineers, sitting around the coffee table saying, "Gee, if we could ever make \$10,000 a year, we'd be extremely happy."

Well, at that particular point in time, I don't think the commissioner of Reclamation made \$18,000. The *top* GS grade that you could get, a GS-18, probably wasn't making \$18,000 a year. Ten was probably a GS-13, maybe GS-14. We could look around and the people that we saw that were kind of our mentors were at GS-13 and 14 levels. They were the division chiefs, the branch chiefs, the project manager. I suspect Paul Harley, as project manager, he *might* have been a 14 at the time. Yeah, he probably was a 14 at the time. Eventually they made all the project managers GS-15s, but I would suspect at the time he was a 14.

On the *outside*, that was the thing that most of us looked at. To be a project manager would be a pretty high goal. I think all of us were confident enough in our abilities that we could see that sometime we might be the division chief in some place in the organization. Not that many project managers around, even in those days, and there was more then than there are now.

Storey: Well, you spent a couple of years in Denver.

Spent about Three Years in Denver

Klostermeyer: I spent about, yeah, about two and a

Oral history of William C. Klostermeyer

STATEMENT OF DONATION OF ORAL HISTORY INTERVIEWS OF WILLIAM C. KLOSTERMEYER

1. In accordance with the provisions of Chapter 21 of Title 66, United States Code, and subject to the terms, conditions, and provisions set forth in the instrument, 1, William C. Klostermeyer (hereinafter referred to as "the Donor"), of Washington, D.C., do hereby give, donate, and convey to the National Archives and Records Administration (hereinafter referred to as "the National Archives") for use 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 Donor Materials") provided during the interview(s) conducted on August 26, August 28, and September 1, 1988, and on or around September 12, 1988, at my office at Suite 310, 1218 Connecticut Avenue, NW, Washington, D.C., and prepared for deposit with the National Archives and Records Administration in the following format: original tapes and transcripts. The donor retains, but is not limited to, all copyright interests I have therein in the Donor Materials.
2. Title to the Donor Materials remains with the Donor until acceptance of the Donor Materials by the Director of the United States. The Archivist shall accept by signing this form.
3. It is the intention of the Archivist to make Donor Materials available for display and research as soon as possible, and the Donor places no restrictions upon their use.
4. The Archivist may, subject only to restrictions placed upon him by law or regulation, provide for the preservation, organization, repair, and maintenance, reproduction, and reproduction, dissemination, exhibition, display, and archiving of the Donor Materials as may be needed and appropriate.
5. Copies of the Donor Materials may be deposited in or loaned to institutions other than the National Archives, including the Bureau of Reclamation. Copies of Donor Materials may also may be provided to researchers. The Bureau of Reclamation may retain copies of tapes, transcripts, and other materials.
6. The Archivist may deposit of Donor Materials in any form after this given to the National Archives.

half-, three years.

Storey: And Two Forks and Narrows came up.
Any other particular projects?

**The Narrows Project had been stopped and the
Studies Were Being Redone**

Klostermeyer: No, those were the two big ones that the region was working on at the time. Narrows was one of those projects that had been authorized, construction started, it got stopped. We were redoing the studies. It looked like it was going to get started again.

In the planning division, the Two Forks Project was probably the *big* effort that we spent most of our time on.

Storey: Was it solely a Reclamation project?

Klostermeyer: Solely a Reclamation project.

Storey: At that time.

Klostermeyer: Um -hmm.

Storey: And so you were making sure the budget was there for the planning and coordinating all the different divisions' work and all that kind of thing?

Klostermeyer: Yeah, basically.

Storey: Did that involve a lot of coordination with Washington?

"Every once in a while I might get a call from Washington, but that was like God calling. There was a *big, big* gap between Washington, D.C., and the regional people. . . ."

Klostermeyer: Not a whole lot. The way that the Bureau was working at that time in the budget arena, it was pretty much the regional budget people and the Washington budget people that did the talking. I did my talking with the regional budget folks, and they talked with Washington. Every once in a while I might get a call from Washington, but that was like God calling. There was a *big, big* gap between Washington, D.C., and the regional people.

PPBS

During the time I was in Denver was when [Robert] McNamara introduced PPBS, Programming, Planning, and Budget,²⁰ within the civilian sector of the government. That was a planning system, a budgeting system that was supposed to take into account the output of all of the Federal expenditures. You put in X number of dollars into something and you were supposed to get

20. The Planning, Programming, and Budgeting System (PPBS) process was used in the Department of Defense.

something back—the public was supposed to get something back. The output side was a *complete mystery* to most everybody in government, *even* in the Defense Department, where PPBS got started, but it was really strange to the people in the civilian sector.

Began to Work with PPBS and Outputs

So I got involved working in PPBS. I'm not sure exactly how I got involved in it, but anyway we had all these reports we had to put together from the planning side to show what the output of our effort was. So I kind of got doing that for the whole region, in cooperation with the budget division.

They had a training course out in the navy postgraduate school in Monterey, a four-week course on PPBS. I was sent out there to attend this training, and then I kind of did the *output* side of the budget for the entire region.

As we submitted that to Washington, the people in Washington that were working on the output side was in the operation and maintenance division, as opposed to the budget division. The budget guys wanted to just keep the numbers. They didn't want a whole lot to do with this strange creature that was called outputs.

Al Nielsen Was Heading Up the PPBS Outputs Work at Reclamation

The guy that was kind of heading up all the output side of PPBS was Al Nielsen, and Al had also been out in Grand Island. He was an economist. When he found out that I knew what outputs were, basically he asked me if I'd come back to Washington and help consolidate the data that they were getting from all the regions. I came back and did that about three or four times during the spring and during the fall, then the spring again, or at least three times during those [budget] cycles.

Offered Job in Washington, D.C., Working on PPBS

Finally, they were doing some reshifting in Washington to accommodate all this kind of stuff, and Al offered me a job back in D.C. That's when I made my other move within the Bureau, to move back to D.C.

Storey: That was '67, I believe.

Klostermeyer: Yeah. That was '68, I think, the summer of '68. So I moved back and worked with Al Nielsen in the O&M division on principally that.

Storey: Let's make sure that I'm thinking correctly. It's PPBS, isn't it, Program Planning Budget System.

PPBS

Klostermeyer: Planning, Programming, and Budgeting System.

Storey: Okay. If I recall, the idea was that you would budget and then you would provide the output. "In return for this money, we're going to do X, Y, and Z."

Klostermeyer: We're going to create so many thousand acre-feet of additional water, or we're going to provide—had *strange, strange* ways of measuring. In recreation, the thing you were providing was, I think, [unclear] or maybe visitor days. But anyway, it became something that would allow you to compare what this bureau was doing with their money with what this agency was doing with their money.

PPBS Created Huge Spreadsheets That Were Done by Hand

I don't know that any real decisions were ever made based on the output side of this operation. All I can say is, I'm thankful that the computers were not in existence at the time, because it created *huge* spreadsheets that we did by hand, and that became a deterrent upon how fast you could do things, and so there

wasn't always somebody saying, "Well, let's do something else. Let's make some other kind of comparison." If we had the same computer technology as we have today, we probably would still not be able to find Washington, D.C., [because of] ~~from~~ the paper that would have been created. We created a *lot* of paper doing everything by hand, but if we had the computer capacity then as we have now, somebody would have gone crazy with making comparisons and analysis.

Storey: But that gave you your opportunity to move to Washington.

Klostermeyer: Gave me my opportunity to move to Washington. We moved to Washington and went through the cultural shock of buying houses costing a third again or a half again of what we paid for our house in Denver. I started getting into the commute thing of taking a half hour, forty-five minutes to get to work instead of five minutes.

"When we came back to Washington, the social interface between people in the offices gradually diminished. . . ."

I probably started separating—you asked earlier about office social activities. When we came back to Washington, the social interface between people in the offices gradually diminished. We still had close friends

and we'd get together every once in a while, but it was not the same kind of relationship that we had in Denver or even in Grand Island, primarily because of the distance. You have people in Virginia and you have other office colleagues that live in Maryland, and after you went home, you never thought about getting together with them in the evening. You might get together for a weekend function, sometime, party now and then.

Storey: Did you have to think twice about moving to Washington?

Klostermeyer: No, I didn't have to think twice about moving to Washington. My wife didn't either. Our family was a little concerned with us moving way back East. Her parents were still in Nebraska and my folks were still in Nebraska.

My parents looked upon it as a great opportunity for their son. I grew up in an era where you went out and you got a good education and you got a good job and you developed your career with your organization. Because they were friends of Paul Harley, they knew the respect that he had for the Washington office, so they thought it was a great deal for me to come back.

Shirley's parents were a little bit different. Her dad worked on the

railroad. He may have been retired by then. Not much of a traveler. So we were just walking off the face of the earth as far as they were concerned. From the family standpoint, that made it a little harder for Shirley to come back. Instead of being seven or eight hours away from them in Denver, we were—actually, it was easier. Her dad was a retired railroad man, as I indicated, and had a pass, so he could get on the train in Grand Island. He'd ride into Denver. He didn't do that very often even the three years we were out in Denver, but he *could*. Back in the late sixties, coming back here by railroad was almost impossible. That was before Amtrak, and it was tough. You really *had to want to do it* in order to come back here by railroad. And he would never fly, so it was either come back here by railroad or not come, and he chose never to come. But we used to go back to Nebraska every year with the family.

"The challenge was not coming back to D.C. from the job standpoint or anything else. The challenge was more a family issue, and the cost. . . ."

The challenge was not coming back to D.C. from the job standpoint or anything else. The challenge was more a family issue, and the *cost*. I mean, I came back for a grade raise. I guess I went from a 12 to a 13 to come back to Washington, and my housing costs went

up—probably doubled. I have never regretted coming back to Washington. I came back to a good job, and I had good jobs for the rest of my career in the Bureau here in Washington. But you look back, and people that *stayed* in Grand Island, for instance, and spent their whole career in that office, probably financially their net worth probably has to be a lot more than mine. Lower cost of housing. They still got good pay raises, maybe a little slower coming than what I did coming back here. But anybody that spent their career in Grand Island probably ended as a GS-13, -14, plus they had housing costs that were probably a *quarter* of what housing costs would be back here.

"From a long-term financial standpoint, it might not have been smart coming back to D.C. . . ."

From a long-term financial standpoint, it might not have been smart coming back to D.C.

Storey: How long did you work in O&M doing budgeting?

Moved to Program Coordination for the Planning Division

Klostermeyer: I worked for Al Nielsen from about May until January of the next year, so, what, that'd be nine months, ten months. And then what had happened was that the guy

that was doing the program coordination for the Planning Division wanted to move out to Idaho, where he was from, so the assistant chief of the division came down and said, "Bill, why don't you take this job?"

Jim Casey

He also was a guy that had worked at Grand Island. I had never worked *with* him. He was there before, and hadn't been there long, but he was there prior to the time that I started working with the Bureau. But he was also at Grand Island, and he'd also worked at McCook and some other places. Anyway, that was Jim Casey. So Jim suggested I come down and take over the planning coordination job, so I did that.

Storey: What kind of a planning coordination job was this?

I was . . ."coordinating all the budget activities for the planning for the general investigation appropriation for the entire Bureau. . . ."

Klostermeyer: This was doing *about* the same thing I did in the region, except for the whole Bureau—coordinating all the budget activities for the planning for the general investigation appropriation for the entire Bureau.

Storey: I think Bill Martin was a planning coordinator, also.

Bill E. Martin

Klostermeyer: Yeah. I was program coordination and he was planning coordination. The job that Billy did was, they had four, I think, maybe five planning coordinators, and each one had a responsibility of a particular region or two regions. Billy was the planning coordinator for Region 7 and 6, which was Billings and Denver, the two Missouri Basin regions. And I did the budget work. That's a better description of my job. I was really the planning budget guy. I put together all the planning budgets, coordinating the information from all the regions.

Storey: So it became a little more complex.

Klostermeyer: Yeah. It was the *dollar* side of what I'd been doing before. So, yeah, but it was a great job.

Storey: This was working for Jim Casey?

Dan McCarthy

Klostermeyer: Yeah. Well, Jim was assistant chief and Dan McCarthy was the division chief, so I really worked—I guess I really reported to Dan, but Jim was the one that kind of ran the day-to-day activities with the office.

Storey: Let's see, if I'm remembering correctly, this would have been when Floyd Dominy was commissioner.

Commissioner Floyd Dominy

Klostermeyer: When I first came back to D.C., Floyd Dominy was commissioner, and he was commissioner through my first budget hearings on the Hill, which would have been in February or March of, I guess, '69. And then sometime during '69 he left, and then Ellis Armstrong came on as commissioner. I think I'm right there.

Storey: What was Dominy like?

"Most of us stayed the heck away from Dominy. . . ."

Klostermeyer: Well, at that time he was a super witness on the Hill, a very strong, dominant-type individual. Most of us stayed the heck away from Dominy. I just can't think. Maybe it was a couple years that Dominy was commissioner while I was in planning. Anyway, most of us stayed away from Dominy. You just didn't go *wandering up to* the commissioner's office when Dominy was commissioner. In fact, early in my—even after Dominy [left as] ~~became~~ commissioner, the commissioner was the top guy and you didn't *bother* him with minute questions. You took care of those within your division, and if your division chief

thought it was something that demanded the attention of the commissioner, he would take it up there. Most of the division chiefs at that time *didn't* feel they needed to have six staff people with them in order to make a presentation to the commissioner or to the front office. They knew the subject and they went up and they took care of it. So the interface between people in the division and the front office was in a fairly narrow range.

Storey: But the way you said it, you "stayed away from Dominy," it sounds like there—

END OF SIDE 1, TAPE 2.
BEGINNING OF SIDE 2, TAPE 2.

Storey: Why don't I ask it again? When you said you stayed away from him, it sounded like there was some negative *reason* that you wanted to stay away from him.

Klostermeyer: No, I really don't think there was a negative reason. You respected his position as commissioner of a *major* engineering organization, and for somebody in my position—I was just a 13-, 14 guy dealing with a small *portion* of the total budget of the Bureau of Reclamation—there was not really any reason for me to be bothering him with anything that I had.

I'd go to my division chief, and as I said earlier, the division chiefs were very capable of making decisions. They all had the confidence of Dominy and the assistant commissioners at that time. If it was something that they had some concerns with, *they* would go to Dominy and take care of it. Yeah, we'd go to staff meetings *sometimes*, not very often, because the staff meetings, again, were not a group therapy kind of meeting. They were a business meeting. Dominy would be there with his assistant commissioners and division chiefs, and that was basically it.

"That formality I really think has disappeared within the Bureau. It may be good; it may be bad. . . ."

That formality I really think has disappeared within the Bureau. It may be good; it may be bad. And it probably has disappeared within all of the—the whole society now has become less formal, at least in the government area that I operate in. I think there's fewer real decisionmakers within the government now, people that are willing to say, "Okay, this is the way to do it. This is the way I want it done." Everything seems to have to have consensus, and a committee, a group decision. I think that's one reason this lack of formality has disappeared. It's so much easier *not* to make a decision than it is to *make* a

decision. If you finally get pushed to the place where you have to make a decision, it looks like everybody wants to be covered, and so they make it a group decision and then you can't point fingers at any one person for making a bad decision.

Storey: Did you ever actually have any dealings with Dominy?

". . . we were doing a *lot* of big comprehensive studies . . ."

Klostermeyer: Oh, yeah. I would have meetings with him from time to time. We were doing some budget things. In planning, we were doing a *lot* of big comprehensive studies at that point in time when Dominy was still here. We had a *Westwide* study. It was just kind of a Bureau of Reclamation study under way. We were doing some studies in cooperation with the Water Resource Council and a lot of Federal agencies. These were more river basin oriented. We had the *big* river basin studies, and then we had some other *comprehensive* studies that the Bureau was doing that were independent of the other two. That became a real confusing issue in the budget process, so I remember several times having briefings with Floyd on those.

Then, of course, before every appropriations hearing, all of the people that would go up to the hearing, which would include the division chief and the *budget* guy for each division, would meet with Dominy and we'd brief him on what was coming down and what kind of questions he ought to be expecting. He'd ask questions about the programs so he could feel more comfortable in responding to committee people.

So we had a *lot* of meetings with Floyd. It was just you went in there for a purpose. You just didn't go in, sit down, and have a cup of coffee and talk about yesterday's football game or something.

Storey: How did he react in these meetings? Did he listen?

Klostermeyer: He was a *good* listener, and he would ask *very* probing questions after he listened to make sure he understood the situation.

"On the Hill, he was a master as a witness. . . ."

On the Hill, he was a master as a witness.

How Dominy Worked as a Witness Before Congress

We would go up with a large number of people, but Dominy was primarily the witness. He responded to every question.

He would *sometimes* pass the question on to one of his division chiefs that were with him at the hearings for them to answer it, or he would reach his hand behind his back for a witness statement if he knew that we had one on that particular subject, and the support team, which was basically the program coordinators, the budget coordinators for the different regions, would place the witness statement in his hand. All the time, Dominy would be responding to the question. He'd pull the witness statement up, lay it in front of him, glance at it as he continued talking, and then work the answer into his statement. So he was a master at being a witness before Congress, and he did that because he knew the program.

There was probably not a question that would come up that Dominy was completely stumped at. He might not recognize some of the details. If somebody asked him what was the status of XYZ planning program out in Podunk which might have been a \$50,000 study or something like that, he would not know the answer on the spot. He would know enough to talk about it until I could hand him a witness statement that said this is the status of that project, and then he would read that into the record. Or whatever the thing happened to be, operation problem or construction problem.

Storey: This was about the time that the environmental legislation began to be passed, beginning about '64, maybe through '74 or so. Was that affecting the way we were doing budgeting?

Environmental Legislation and Reclamation

Klostermeyer: I don't think it necessarily impacted the way we did budgeting. *Some*. But it was starting to impact *more* on the way we were doing planning in the field.

I personally feel that the Bureau of Reclamation, in *my* experience—and you've got to recognize I have a very limited career path in planning. I was in Nebraska in the regional office for that part of the Bureau and then back in Washington. But in planning, even when I first started with the Bureau, we did a *lot* of interface with the environmentalists. I think maybe the last time you were here I talked a little about the fact that I thought that we *accommodated* just about everything that the Fish and Wildlife people ever would want us to do in a project. Their offices were right next to the Bureau's office, and we really worked close with those people.

Dominy Slows Progress on Planning of the Two Forks Project in Order to Make It a Showpiece

When I was in Denver, we finished up the Two Forks Project, the planning

report for the Two Forks Project. During the process of Dominy's review of that project, he said, "Look, I want this project to have some more recreation. It's going to be right outside of Denver. It's going to be a showpiece for the Bureau of Reclamation. I want to have all the recreation things that you can have, all the Fish and Wildlife things that you can have." So rather than sending the report, which was completed, in to D.C., we kept it out in the region and reworked it to put in some of these environmental and recreation things in the park.

"My personal opinion, had that report got in to Washington when we had first finished it . . . that project . . . would have been built, because Wayne Aspinall was still chairman of the Interior Committee. . . ."

My personal opinion, had that report got in to Washington when we had first finished it out in the region, that project would have been authorized as a Bureau of Reclamation project and probably would have been built, because Wayne Aspinall was still chairman of the Interior Committee. The delay, which was probably a year, eighteen months, to *add* all this recreation stuff that Dominy wanted to add, was enough to get it out of cycle and have the environmental issues pick up even at a higher rate and kind of kill that project.

When I first went down into planning, a couple of items that were in the budget, the planning budget at the time, and eventually got into the construction budget, our push for those projects was an environmental push.

Marble Bluff Dam on the Newlands Project

One was Marble Bluff Dam, which is on the Newlands Project. That was being built as a way to get the cui-ui²¹ out of Pyramid Lake *upstream* so they could spawn. It was recognized that there was a problem there, and they wanted to get the fish upstream. Fish and Wildlife was *really* active in getting the Marble Bluff facilities built.

Tehama-Colusa Fishways at Red Bluff Dam, Central Valley Project

The other thing that I remember, because we had a lot of planning money in it, and even a lot of construction money, was the Tehema-Colusa fishways right off of Red Bluff Dam on the Sacramento River. The Red Bluff Dam was a diversion structure off the

21. "Cui-ui (*Chasmistes cujus*) is a large plankton-feeding fish that only occurs in Pyramid Lake, Nevada. It was put on the federal endangered list in 1967 based on declining population and absence of reproduction. A lake dweller, cui-ui is a stream spawner." The prognosis for recovery of this species is very good. Source: <http://biology.usgs.gov/s+t/noframe/r250.htm> on December 5, 2006, at 2:05 P.M.

Sacramento into the Tehema-Colusa Canal. They built some fancy fish screens and then kind of a dual channel that the irrigation water went through, but it also had gravel beds in the bottom of the channel so the salmon could *spawn* in this area. That was, again, something that was extremely costly, but Fish and Wildlife wanted it and were pushing real hard for it.

Neither one of those things worked. I think they've replaced the fish screens and they've stopped using the fish channel, because it was poorly designed or conceived or something.

Storey: Didn't do what was it hoped it would, anyway.

"Those were two cases . . . where the Bureau *really* went overboard to support some activities that Fish and Wildlife wanted. . . ."

Klostermeyer: Those were two cases I can speak of right now where the Bureau *really* went overboard to support some activities that Fish and Wildlife wanted.

When I first retired, I was asked to give a talk to a local water group here about how I viewed things that took place during my thirty-year career with the Bureau on major accomplishments and *shifts* and trends and this kind of stuff, and the environmental movement was a

major shift. But within the Bureau, and I think really pretty much in any organization, it was really more kind of a sharp curve, and the Bureau was already moving around that curve before NEPA [National Environmental Policy Act of 1969] was passed and so forth.

". . . it was not a major shift in the Bureau's planning process to get into the NEPA compliance . . ."

The Bureau was *very early* on, in spite of what some people lead you to believe, it was not a major shift in the Bureau's planning process to get into the NEPA compliance, because we were *doing* just about everything that was required for NEPA compliance—at the time. Now, we got into a whole bunch of lawsuits, and by that time, fortunately, I was out of the planning arena.

"we got into a whole lot of lawsuits, and people kept demanding more and more . . . I think in a lot of cases it was just a delaying kind of tactic. . . ."

But we got into a whole lot of lawsuits, and people kept demanding more and more and more. I can't say whether it's right or wrong, but I think in a lot of cases it was just a delaying kind of tactic.

In fact, it was the same kind of tactic that I heard the other day. I was talking

to somebody about the Newlands Project, and they were saying, "Well, we aren't making very much progress out there, because this water group was formed and *that* water group was formed and this new water group was formed, and they're all asking for different things."

My comment was, "Well, that sounds just like the environmental people. They are all trying to protect something that they feel is very important to them, and they don't want to see a major change take place."

"The environmental community . . . hoped—and in a lot of cases it happened—that the delay was enough to have the proponents just say "I give up" and quit. . . ."

The environmental community was pretty much that way. It was easier to object to something and throw road-blocks in, knowing that if they got this question answered, they'll just throw another log in front of the truck a little farther on down the line and that would delay the whole process. Pretty soon they hoped—and in a lot of cases it happened—that the delay was enough to have the proponents just say "I give up" and quit.

Newlands Project

I think on the Newlands Project, probably some of the water users are hoping that'll happen there. They continue to object to this and object to that and object to that. They have some legal rights to object to some of those things. A community has been developed out in the Newlands Project since the early 1900s based on water, and you don't come in all of a sudden and say, "Hey, we want to take all your water away," because that takes away a whole social community that has centered around those.

Anyway, I think the Bureau, for the most—the Bureau has done some dumb things, probably, but at the *time* those things were being done, there was a lot of support for doing them. You can go back and look and say, "They should not have done this" or, "They should not have done that," but that's like looking at a football game on Monday morning and saying, "They should have ran for that touchdown, not try to throw a pass and have it intercepted." The Monday morning quarterbacking is a lot easier than the decisionmaking at the time.

"For people to . . . criticize the Bureau for some of the decisions that were made in the past, without looking at the mental attitude of the whole community . . . at the time those decisions were made, is not being fair to the people of those times. . . ."

For people to come back and criticize the Bureau for some of the decisions that were made in the past, without looking at the mental attitude of the whole community, whether it's the local or the regional or the national community, at the time those decisions were made, is not being fair to the people of those times.

"Some of those things . . . are wrong in today's standards, but you ought to be looking at how you can change them and make them better without being *critical* of the initial decision. . . ."

Some of those things, as I say, are wrong in today's standards, but you ought to be looking at how you can change them and make them better without being *critical* of the initial decision. That was my soapbox for today.

Storey: That's great. Thank you. Well, I'd like to continue. *However*, we've used up two hours, plus a few minutes, actually. So I'd like to ask you whether or not you're willing for the information on these tapes and the resulting transcripts to be used by researchers, both inside and outside Reclamation.

Klostermeyer: I suspect so. Yeah. I don't think I said anything that I wouldn't say to anybody whose name I mentioned.

Storey: Good. Thank you.

END SIDE , TAPE . AUGUST 30, 1995.
BEGIN SIDE 1, TAPE 1. SEPTEMBER 7, 1995.

Storey: [This is] Brit Allan Storey, senior historian of the Bureau of Reclamation, interviewing Bill Klostermeyer at his offices in Washington, D.C., on September the 7th, 1995, at about one o'clock in the afternoon. This is tape one.

Reclamation Held Program Conferences both to Discuss Proposed Budget Requests in Light of the Department of the Interior's Passback and to Track the Status of Current Year Budget Needs

Last time we had talked about O&M budgeting, I believe, in '68 and '69. Did you participate in the program planning sessions, and if you did, what were they like?

Klostermeyer: Yeah, I participated in the program conferences, we called them then. They were a meeting that took place every August, *hopefully* after the Bureau of Reclamation had received their passback²² from the Department in preparation for preparing the budget

22. This, effectively, is the Department's review of the Reclamation's proposed activities and funding requested in the Bureau's budget. The Department makes changes in funding and activities required to support the Department's goals and accomplish the Administration's objectives and policies. These changes are "passed back" to Reclamation to accept or appeal.

estimates to go to OMB [Office of Management and Budget] and then subsequently to the Congress.

In attendance were key staff people from Washington, D.C., generally, obviously the commissioner and all the assistant commissioners, division chiefs for the planning division, and the O&M division, and the power division, when the Bureau still had *power* responsibility, and the program coordination division, who *really* was the man that ran the conference. And then each division that I mentioned—planning, O&M, and—actually it was called water and land—and power—*took* their program person with them.

The conferences generally lasted most of a week, generally starting on maybe Monday or maybe Tuesday—Monday, I guess. I don't remember. The first couple days were kind of table-hopping sessions. At the time when I first started going, there were seven regions, and each region would, over the course of a day or day and a half, would have a chance to meet the regional director, his planning officer, and his programs man, would meet with *each* of the Washington office key staff, and the assistant commissioner or the chief engineer or whatever it happened to be from Denver would also be there.

The sessions with each of those people was about an hour and a half, and the purpose of those sessions were to talk about any particular issue that the region had with that particular part of the program. For instance, when I first started going to these I was in planning, so we would, the *chief* of the Planning Division in Washington and myself would have had a chance to look at the region's proposed budget for the next fiscal year, and we would ask them about *issues* relating to the budget. We'd ask them about *issues* relating to the current fiscal year, how they were spending the money if they were spending it, if they had any extra or if they needed any extra money, *why* they wanted new things in the next fiscal year's budget, *what* they were proposing, all types of questions that would come up.

The region would also have questions of the Washington office or the Denver staff, like, "Why aren't you getting my review of the report done? We're short of money. We're going to have to double the cost of this thing," all kinds of issues. So we tried to get those things through, those meetings through in about an hour and a half for *each* of the major offices.

Those were pretty intense sessions, just because of the caliber of people that were there, the regional director and going one-on-one with the assistant

commissioner sometimes. Sometimes the assistant commissioner for planning sat in the session. They would always invite people from the Department, generally the Department budget people that dealt with Reclamation, people from OMB, the Bureau examiner from OMB, and sometimes Hill staff from the appropriations committees or the authorizing committees that dealt with Bureau issues. If there was a planning issue, for instance, a project that was before one of the Interior committees for authorization, that committee staff person *might* be sitting at the planning table when that particular regional director came to the table to cover questions that *he* might have.

After a day and a half or so, maybe two days of that, we would then break into a commissioner's meeting. Now, the first couple program conferences I went to Floyd Dominy was commissioner, and he ran his commissioner's meeting a little different than subsequent commissioners. It was a *very* small meeting when Dominy ran it and very closed. It was Dominy, the assistant commissioners, *maybe* the division chiefs.

Storey: From Washington.

Klostermeyer: From Washington. And the chief engineer at the time, or the assistant commissioner for engineering from

Denver, and the regional director. That was it. No staff, nobody under a GS-15 level.

Storey: Just *one* regional director at a time?

Klostermeyer: *One* regional director at a time. Those sessions were generally about two hours long, and Dominy found out everything he needed to know, and the regional directors found out everything they needed to know as to what Dominy was thinking. It's just hearsay, but some of them got pretty intense.

How the Program Conferences Changed after Dominy Retired

Subsequent to Dominy being commissioner, the regional director meeting was kind of opened up. The first couple years it was opened up to the regional director and the staff that he brought, the planning officer and the budget man. And then it was opened up to all of the Washington office staff and the budget people that came from Denver, but really closed off to any other regions.

Then we finally opened the thing up to anybody that wanted to sit in the audience could sit in the audience. It got to be less of a "I'm going to straighten you out" kind of meeting to one of just exchanging of information, and some of

the information that was being exchanged was of benefit to all the other regions. So if you were talking with the Upper Colorado Region, for instance, having the regional director from Lower Colorado in the room sometimes helped.

Budget Staff Had to Stay an Extra Day after the Program Conference to Balance the Budget Tables

Those program conferences, in the early days, of course we didn't have computers to track any of the budget stuff, so the budget people *always* had to stay a extra day. The conferences generally finished up maybe Thursday, and the budget people stayed around Friday, sometimes Saturday. We had to have all of our budget tables balanced out, move money around between projects and this type of thing based upon the decisions that were made at the commissioner's meetings. We had massive spreadsheets that we did all by hand, and so that just took a *lot* of time.

Later meetings, we would have computers and all this kind of stuff, and so the spreadsheets generally got balanced out pretty easy, although even now it's probably *easier* because they got portables and all kinds of electronic equipment that wasn't even there when we first started putting things on the computer.

". . . those meetings were very effective. . . ."

It was my opinion that those meetings were very effective. They gave a major chance for a lot of interaction of people to solve *issues* as they came up. I guess the last one they had was the last year I was assistant commissioner, and they dropped them after that, so obviously other people didn't think they were as effective as I did.

Storey: In '89, then. Or '88.

"'88 was probably the last program conference the Bureau had. . . ."

Klostermeyer: Yeah, '88 or '89. '88 was probably the last program conference the Bureau had. Part of that was due to technology. We communicated better with faxes. We had more meetings, because people traveled more.

The regional directors and the commissioners got together through the PMC, Permanent Management Committee is what it was called when I left. They call it something else now. The PMC got together on a more regular basis, so the top Washington staff really knew what was going on maybe a little better than they did before because they had more one-on-one kind of things—although I've seen a lot of things fall through the cracks recently that would

have never fallen through the cracks if there was program conferences.

Preparation of Witness Statements

Prior to the program conference, a lot of effort was put into developing what we called witness statements. These were statements that the regions initially prepared, covering anything that they *thought* might be a issue in the budget that was moving forward, status of projects, reasons for moving projects, environmental issues that might come up, funding needs, a *whole bunch* of different things. They would prepare those in advance. They'd be circulated through the Washington office, collated, put into books.

Then the Washington budget staff that was doing the *review* of the budget also prepared questions that they had that were not answered either by a witness statement or by the budget justification–budget estimate. We transmitted those back to the region so that they could have them either at the beginning of the program conference, *or* if during the course of the program conference if questions came up, the regions also prepared witness statements to submit back to Washington.

The program meeting ". . . was . . . preparing the . . . witnesses, *thoroughly* . . . before OMB

hearings . . . and . . . beginning to get prepared for the appropriations hearings . . ."

This was all part of a fairly elaborate system of preparing the witnesses, the Washington, D.C., witnesses, *thoroughly* before OMB hearings in the fall and to get them beginning to get prepared for the appropriations hearings that would begin in the spring, February or March.

"After the program conference, there was only two to three weeks before the budget justification had to be put together and sent over to OMB . . ."

After the program conference, there was only two to three weeks before the budget justification had to be put together and sent over to OMB, so there was a high level of expectation and need to get all of these questions answered, the budget finalized, all the budget justification documents put together for submission to OMB in, generally September, the middle of September. And then in late September or October timeframe, maybe early November, then two OMB examiners would have meetings with the commissioner, key staff, going over the budget, and because of the preparation that was made in August, most of the Bureau witnesses were very familiar with *all* the details of the budget. The Bureau, as a whole, was always complimented on their prepara-

tion and understanding of the budget process.

After the OMB passback in, oh, around Thanksgiving-, Christmas–well, hopefully it had never been Christmas, but sometimes at Christmas. The *budget* people would then *gather*, generally in Denver, to finalize the budget justification, make adjustments for cuts or additions or something that OMB made, and then review the budget justifications for submission to Congress. Generally, early in February the justifications had to go up to the Hill.

"Skull Practice" in Preparation for Appropriations Hearings Before Congress

Following submission of the budget, the Bureau held—I don't know when it began, but Dominy was obviously again involved in some of the early meetings. We had what we called the "skull practice" in Washington. That was a meeting, similar to the program conference, except much shorter in nature and not nearly as large, but it held a lot of significance to a lot of people. We had a hard time keeping people from attending just to keep the room size down, to be able to fit the people in the room.

At the skull practice, the commissioner, assistant commissioner, key Washington staff would sit around the U-

shaped table with the regional director, his planning person and budget person, the same people who were at the program conference sitting at a short table at the open end of the U. That was a session to answer any question that might come up at the appropriations hearing. So if something hit the newspaper that was adverse to a particular project, we grilled the RD on that, similar to the kind of questioning that we would expect the House or Senate Appropriations Committees to give to the commissioner.

". . . hopefully somebody had thought of any questions that might come up. . . ."

That was one reason that the Bureau's commissioner and key staff were very prepared for the appropriations committee hearings, because hopefully somebody had thought of any question that might ever come up. If a question came up during the skull practice and we didn't already have a witness statement on it, one was prepared.

This would have been in the—I was starting to get involved in the budget in Washington in, I guess, the '69 budget cycle. So from then until the time I left, we had similar kind of things. Towards the end, obviously, again because of the facts and the ability to use word processing equipment and transmit information, some of the need for the elaborate prepa-

pration that we had done early had disappeared.

Appropriations Committee Hearings Became Shorter over Time

Also, the appropriations hearings had dropped from maybe three full days, half a day in the House and half a day in the Senate, to a couple hours in the House, half or more time taken up by the secretary, so the Bureau maybe only had a hour, hour and a half *max* of time before the appropriations committees.

Then the last couple of years I was assistant commissioner, I'm not sure the Senate even held appropriations hearings. The staff would go up and talk with the staff of the committees. So if you didn't have the same kind of *demands* on the witnesses, you obviously didn't have to prepare the witnesses as well.

Storey: To what would you attribute the change?

Klostermeyer: On the Hill?

Storey: Yeah, in the amount of time spent with Reclamation in testimony.

Klostermeyer: Oh, I think just the lack of time on the appropriations committee's [part.] ~~stand-~~
~~point.~~ They just got too busy doing a bunch of other things. That's one, and that's probably the primary reason. A secondary reason was the Bureau's

program was starting to drop off, but I think it was pretty much the fact that people on the Hill, both on the House and Senate side, just got overwhelmed with other activities. Because of the shorter hearings, that contributed then to less need to do all the preparation that we had done in the past.

Storey: Which year's budget would this be? What was the cycle here in terms of length of time?

". . . you always have at least three budgets in front of you. . . ."

Klostermeyer: Well, we were always looking at a—you always have at least three budgets in front of you. When you start the budget process, you start in March, maybe even earlier, February or March, for a budget year that was two years hence. At the time you were starting that, you also had a budget before Congress for a budget that was one year hence, and you were about in the middle, hopefully, of a year in which you already had your money. That's providing Congress gave you the money on time, the first of October.

Storey: Or back in those days, what, the first of July.

Klostermeyer: *Yeah.* Back in those days, until they put in that transitional quarter in, what was

that, early seventies, I guess. They changed the fiscal year.²³

So to the person that was outside the budget cycle, no one knew what was going on. The constituents, they were always a *year* behind in their budget requests. At least they were getting into the process. So it was pretty much up to the *Bureau* people to anticipate what they thought some of the local people might be thinking, and at the time that the Bureau maybe put something in the budget, the local people really hadn't finalized their request. This was particularly true in things like the loan program and those kind of programs. But because of that two-year spiral of moving the budget forward, it took a lot of early thought process, and there were a lot of changes, obviously, because of that as you moved through.

Storey: Tell me how it worked during the programming session. I'm regional director X. All of a sudden I see a need for \$3 million-, \$30 million more, and I come in. Well, all of the regional

23. The Federal fiscal year was originally the calendar year. In 1842, President John Tyler signed legislation making the fiscal year run from July 1 to June 30 of the next year. The Congressional Budget Act of 1974 (§501, P.L. 93-344; 31 U.S.C. 1102) changed the fiscal year, beginning FY 1977 (October 1, 1976, to September 30, 1977). Each change was intended to provide Congress with more time to deal with appropriations legislation. Source: <http://www.rules.house.gov/archives/98-325.pdf> visited on November 13, 2006 at 5:50 P.M.

directors are going to have this. I didn't hear any consolidated meeting, where everybody sat down and worked out sort of a final budget. How did all this work?

Klostermeyer: There wasn't a consolidated meeting where everybody sat down and worked out the budget early on. Now, the last few years we would have a meeting. All the regional directors might sit around and say, "Okay, I can give this up, but I need this," and that kind of stuff. In theory that works great, but in practicality, the regional directors don't have—and they should not have; they have staff to do it—do not have the details to say what they can give up, where their flexibility is, and this kind of thing. They'd lay out what they need, what their needs are.

What would happen in those meetings is, we would go around, and if a regional directors says, "Okay, I need \$30 million," we would, "we" being the budget people, would make a note of that. We would also ask where they had some flexibility. The budget people had a pretty good idea of who was on schedule and who was *not* on schedule, so we had some areas of some flexibility. But we would meet with all the regional directors, keep a running tab of pluses and minuses from all the regions.

Prior to the general session with the commissioner and others, we would kind

of make a rough cut on filling the needs in with the surpluses from other regions and identify the places where it didn't fit. So at the commissioner's meeting, we would tell the commissioner, "Okay, the Upper Colorado Region has an existing requirement, a new requirement. We don't have any money to match it. Do you want us to *force* that in or do you want them to cut back on their requirement or do you just want it to be dropped and pushed off into another year?"

The commissioner would make the call then. If he said leave it in, then we'd go back to the table and see where else we could take it out. In some cases, it would mean just asking for more money, appeal to the secretary for additional allowance or appeal to OMB for additional allowance. But *most* of those kind of things were made with a lot of consideration of all—even though all the regional directors weren't sitting around the table trying to deal out the money, they were all made in cooperation with each of the regions, *and* with the commissioner. It was pretty much the commissioner's decision on which way things would go.

In the planning arena, when I was planning officer there, sometimes the commissioner didn't get involved in all those details, but the chief of planning would treat the whole planning program *as a whole* and move the money around

in order to keep the projects, that were high-priority projects, funded at the level, keep them on track, and have other projects that were less priority that would slip a little bit.

Storey: This would be within individual regions or even between regions?

Klostermeyer: No, between regions and total. The Washington office, for the *whole* Bureau budget, maintained control between regions. Any request for reprogramming had to come into the Washington office for approval. The regional director—I don't know what they do now, but the regional director—

END OF SIDE 1, TAPE 1. September 7, 1995.
BEGIN SIDE 2, TAPE 1. September 7, 1995.

Storey: So a regional director didn't have much latitude, within his own region, about moving money around.

Klostermeyer: Even within his own region. On a construction project, he might be able to move money within the *project* from construction on a canal to the laterals or from slippage in the construction contract on the dam to someplace else, but he could not take money from project A and move it to project B, *even* within his own region.

The thought was that—well, Congress put some fairly tight requirements on

moving money, anyway. They had some programming requirements that you couldn't exceed, reprogramming requirements you couldn't exceed. But the thought was that if you allowed a regional director to move money at *will* within his region, he may end up funding something that was a lot lower priority in the whole scheme of things than he should. Region B may have something at a higher priority than the project that Region A wanted to move money into, and so the thought was that if you went to the Washington office to get approval for fund transfers, they could make sure that the *highest* priorities were funded first, no matter what region they were in. It also assured that you were staying within the guidelines that the Hill or OMB had set for program transfers.

Storey: What kind of flexibility did Reclamation have in that respect, in moving money around?

Flexibility in Moving Money Around Within Reclamation

Klostermeyer: Actually, they had quite a little. In the construction program, you could move up to, I think it was 15 percent, I may be wrong, but up to 15 percent without going back to the appropriations committees to tell them that you were moving money from project A to project B, *any* line item.

It was 25 percent in the general investigation [GI] program between projects, so that gave you *quite* a little flexibility, although in the GI program the line items were much smaller. I mean, you were talking \$25,000 programs, \$100,000 programs, so even 25 percent of 100,000 isn't a whole lot of money to be moving around.

Anything above that, you could reprogram within an appropriation, but you would have to go back up to Congress with a letter, that had to, unfortunately, go through the Department and OMB before it went up to Congress. Sometimes, for whatever reasons, OMB or the Department didn't want to *send* the letter to Congress, so even though the Bureau might have a legitimate need to reprogram money and the appropriations committees would allow it if we requested it, the request sometimes didn't ever get up there.

You could *not* move money between appropriations. So, if you had surplus money in the construction appropriation because a contract didn't get awarded that you anticipated getting awarded, or whatever the situation, and you needed some money in O&M, you could not move the money to O&M without a change in law, because the appropriation act authorized money for construction, authorized money for O&M.

- Storey:** And GAE [General Administrative Expense].
- Klostermeyer:** GAE and GI and the loan program. They were specific amounts and *in law*, so you had no way of moving the money between those without a change of the law.

Energy and Water Development Appropriation Act

The Bureau had—as opposed to some of the other agencies in Interior. Now, the Department of Interior received their money through two different appropriation acts, the Energy and Water Appropriation Act, which the *Bureau* got their money through, Energy and Water Development Appropriation Act, which was the old Public Works Appropriation Act, and the Bureau of Reclamation, basically, was the only Interior agency that was in that bill. The Corps of Engineers was in the bill and TVA [Tennessee Valley Authority] and some others, the Department of Energy. But the rest of the Interior agencies received their money through the Interior and Related Agencies Appropriation Bill.

Both appropriation committees had a little different rules on reprogramming and what have you and had different relationships with the committees. There were people in Interior that were kind of jealous of the Bureau, because we had,

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one, a good relationship with the appropriation committee. We had a little more flexibility in our reprogramming of funds.

Reclamation's Carryover Monies Were Envied by Other Interior Bureaus

Most all of our appropriations, at least by the time I left, *all* five of the Bureau's appropriations had at least *some* no-year money, meaning that you could carry money over *into* the next fiscal year without losing it, which *really* made a lot of sense. You kind of eliminated the need that some agencies had for end-of-the-fiscal-year spending without maybe it being the best way to spend the money, because the Bureau didn't have to worry about losing it; it was carried over. So if you didn't award a contract in September, it was no big deal. You would award it on a more logical basis in October.

That really worked out well. In fact, all the talk this year about the government shutting down and people being furloughed and that type of stuff, that happened a couple times when I was still with Reclamation, and it was really not a problem with the Bureau because we had carryover money. If the shutdown was for a short period of time, we had enough carryover money to cover everybody's salary. So, we were kind of exempt from that shutdown thing.

One Year the Department Transferred the Health Unit to Reclamation

In fact, I remember one year the Department transferred the *health* unit in the Interior building to the Bureau of Reclamation, physically transferred *all* the people and everything, because we had money that would carry that health unit past the shutdown period. It was kind of important to keep the nurse and the doctor around if there was going to be anybody in the building, and so we funded that. I'm not sure we even had to fund it. I think maybe we went through all the effort of transferring it and then the appropriations came through. But anyway, we looked at the possibility of transferring some of those kind of essential services so they would be *covered* at the end of a fiscal year.

Storey: Did they ever do any horse trading in these programming and budget decisions?

Klostermeyer: Yeah, yeah. We always tried to accommodate the needs of every region, so if we could see that by maybe slipping some work in one region for a few months, that would free up some money that we could give to the second region. And then in return, the next fiscal year that region that gave something up would get *that* back, plus something else, whatever made some sense. The program peoples purpose was to keep the

program moving, and so there was a lot of real open exchanges between the program people to help each other out.

Storey: You mentioned earlier that some things seemed to have fallen through the cracks, and then I believe you mentioned the witness statements as an example of that. Were there any other examples that you could think of?

Klostermeyer: No. Of the work that was going on in the Washington office and throughout the region, I think that was the key.

I think when I mentioned things falling through the cracks, the Bureau got a lot of *bad* publicity on the visitor center down at Hoover Dam. That happened after I left, so I can say that it wouldn't have happened when I was there, but that may be true or may not be true. But one reason, I think, and looking back, that that happened was that it was just a line item on a budget, on a *big* budget, that was overlooked.

When we used to have program conferences and we'd meet every year, that thing would have been on the *scope* of the commissioner, assistant commissioner, and regional director, because somebody, in going through the budget, would have saw it, and it would be a logical thing to ask a question about. So somebody in the Washington office would have asked the question.

Somebody in the region would have maybe even anticipated that question being asked, and so they would have prepared a witness statement that said, "This is the status of the Hoover visitor center. It looks like we're going to have a major cost increase because we have to change the location of the elevator, we have to change the location of the parking lot," and there would have been some discussion taking place.

Now, whether or not that would have been enough for the commissioner to raise a flag with the Hill or whether he'd just be informed and continue to let it go, I don't know. But at least it would not come as a surprise to anybody that the cost of the visitor's center was doubling or tripling or whatever it did. *These* were the decisions that were made along the way that caused that to happen. I think the reason the Bureau got in trouble is most of those decisions were made by the regional director or the people in the field. They were all *logical* decisions, looking at it in retrospect. But those kind of things were kind of eliminated when we had the program conferences and we had witness statements being prepared in anticipation of questions that might be asked at a hearing.

When you had appropriations hearings that lasted three or four days, the committee staff spent a lot of time going through the justifications, develop-

ing questions. So anything that was not part of a normal process, was a little blip in either the justification—. Last year you said this. This year you're saying something different. Last year you programmed the cost to be X number dollars. This year it's X plus Y number of dollars. Why is the change? The clerks would develop questions for all those kind of things, and knowing that the clerks would develop those questions, the program people did not ever want to have a question come up that they hadn't already anticipated. So they prepared a bunch of questions, and that became a part of the witness statement. I always thought that that was a—the witness statement process, it was a *time-consuming* process. You can imagine. We would have notebooks, three-inch binder notebooks, maybe a half a dozen of them, filled with questions and answers, and for people to review all those things, that just took a *long, long* time. *But* in the process of reviewing that, people knew a *lot* about the Bureau of Reclamation's programming. We had a lot of detail.

Storey: Did you ever see unanticipated questions come up?

Klostermeyer: Oh, sure.

Storey: You never can get them all.

Klostermeyer: You never get them all. Obviously, when the length of the hearing started to get cut back, you would *never* get nearly—you'd just get a small percentage of the questions that you anticipated even asked. So there was always that thought, "Well, no one's going to ask that question," so they would not prepare—you know, you start dropping off the volume of questions and answers. The volume of witness statements started dropping off. From that standpoint, I think Congress, in their decision not to review the budget nearly in as great a depth as some of their predecessors, has also caused just a *lack* of detail in some of the budget preparation.

Storey: I guess sometimes we also actually got the questions in advance?

Reclamation Hearings Before Carl Hayden's Subcommittee

Klostermeyer: Yeah. There was something that started when Senator [Carl] Hayden was chairman of the subcommittee which he established that just dealt with the Bureau of Reclamation. His clerk would prepare all the questions for the senator to ask, and out of a courtesy to the Bureau he would let the Bureau get a copy of those questions like maybe on the Friday before the hearing which started on Monday or Tuesday of the next week. Dominy insisted that we always had—if we had a question, we needed to have an

answer for it, so we would work the weekends and generally all night, whatever it took. If we got the questions on Friday, which might be four or five hundred questions, we would have by Monday morning a book with an answer for every question we got from the Hill.

Now, that seems like that could have been a major effort over the weekend. It *was* a major effort, because we didn't have computers. It was all typed by hand and what have you. But *because* we had the witness statement process, *most* of those questions, the answer had already been anticipated. The question had been anticipated and the answer had already been prepared. I would suspect for 80 percent of the questions, it was a case of just getting the right witness statement with the right question, maybe rephrase it so that the answer followed through with the question that was asked. And then also, by having all those prepared, the senator obviously did not *ask* every question, so the questions that were not asked, the clerk would give to the Bureau to prepare an answer for the record. We always *had* that done, so we would review the transcript for things that were said at the hearing and then feed the other answers in with the questions that were prepared for the record.

Commissioner Dominy Always Wanted to Answer Questions During the Hearing if Possible

Oral history of William C. Klostermeyer

When Dominy was commissioner, it was always his thought, and we tried to convince most of the other commissioners that followed Dominy, that it was always better to answer the question at the witness table than to say, "I'll give you something for the record," because if you answered it then, it was taken care of. You didn't have to worry about preparing a subsequent answer to a question that was prepared for the record.

When the hearings started being cut down in time, the getting the questions in advance dropped off. A kind of interesting sideline, one time we were up at a appropriation committee meeting. I don't know whether it was the House or Senate. I was sitting there with a big notebook filled with questions and answers. The congressperson would ask the commissioner or the assistant commissioner a question, and I'd flip through my notebook and slip the witness, hand him a witness statement on that that would trigger him for a response if he didn't know the response. I didn't realize it, but there was a staff person for Jack Anderson²⁴ in the audience. I got

24. Jack Anderson was a political columnist who wrote the syndicated "Washington Merry-Go-Round" column until shortly before his death in 2005. He was hired by Drew Pearson, the column's founder in 1947, and took over the column in 1969 at Pearson's death. He was known variously as a muckraker and political writer. He won the Pulitzer Prize in 1972. Source:

(continued...)

back to my office and I received a telephone call from this guy, and he said, something to the effect, "It looked like you had answers for all the questions. Did the *staff* give you the questions in advance?"

Now, this took place shortly after kind of a minor scandal where one committee up on the Hill produced an entire hearing and published the hearing without the hearing ever being held—you know, questions, answers, all this kind of stuff—and made it look like the hearing was held. So there was a little sensitivity to *that* kind of thing taking place, even though the hearing was being held, but if it looked like we were being supplied the questions and we just read the answer back, that's about the same kind of thing that the other committee did, except we were doing it live.

Political Columnist Looks at Reclamation's Witness Statements

Well, at that particular hearing, we had *not* been given any questions in advance, but we had still prepared all of our witness statements as we had been doing. So this guy from Jack Anderson

24. (...continued)
obituary at http://www.cbsnews.com/stories/2005/12/17/national/main1134705.shtml?CMP=OTC-RSSFeed&source=RSS&attr=HOME_1134705 visited on November 14, 2006, at 10:15 A.M.

said, "I want to come down and look at those notebooks."

I said, "I'll check to see if they're a freedom of information kind of thing, and if they are, feel free to come down."

I must have been down in program coordination at the time, so I checked with the assistant commissioner, and he said, "Sure, let him come in and look at them."

So I got all six or eight or ten notebooks out, three-inch binders filled with all these things, and I said, "Here they are. Take a look at them."

So this guy spent maybe two hours or so going through the notebooks, and he said, "If the committee staff didn't give you these questions, why do have questions and answers?" And I think that's what we called them at that time, Q&As, as opposed to issues and maybe a response. "Why do you have all these things in there?"

I said, "It's just obvious. People that know the program can sit down and anticipate just about any question that would be asked." I pointed out to him how every construction project had a question in there about what's the current status of the project, how many contracts are you going to award this year, how many contracts did you complete this

year, on and on and on like that. I said, "See, we have this all the way through there."

He spent, like I said, a couple hours, maybe three hours there looking through the thing, and that was the last we heard of it. He apparently was satisfied that the Bureau of Reclamation didn't have some kind of scheme going on with the appropriation committees to fake a document.

Storey: This was a staffer from some other committee, I take it.

Klostermeyer: No, this was a guy from Jack Anderson, the newspaper columnist. He was sitting at the hearing as a public observer. He figured that he had spotted a *big*, fat story for Jack Anderson, exposé of some kind, but nothing happened.

Storey: I have forgotten who told me to, but somebody, while I was here last week, said ask Bill about the hearing where Hayden and Dominy got off sync.

Dominy and Hayden Get Off Sync During a Hearing

Klostermeyer: This is just kind of second- or third-hand, because I was *not* at *that* hearing. Hayden was not—I don't think he was in the Senate when I came back to Washington. I think he had retired the year before I came back. But apparently Senator Hayden, in his last few years in

office, did not speak very loudly. In addition to that, he apparently was hard-of-hearing.

At one of the Senate appropriation hearings for the Reclamation Subcommittee, which Hayden chaired, they just sat across the table, hearing table, similar to this conference table that we're at. Hayden would read a question to Dominy, and Dominy would respond to that question. Well, as I said earlier, to facilitate that the Senate clerk would give to Dominy or give to the Bureau in advance what those questions were. They were all printed on 6 x 9 cards or something like that, and the clerk would insert them into the budget justification at the appropriate place. Hayden would flip through the budget justification and come across the card and read the questions off the card.

During the course of reading the questions, which most people sitting across the table could not hear or understand what he was saying, Dominy thought he heard a question and he read an answer, but it was out of sync with really what it was. So they went for several questions, and I have no idea how many questions that was, with Hayden reading the question and Dominy reading the next answer, and they were not the answer for the question. Finally, somebody caught what was going on, maybe the clerk or somebody that could

hear Hayden, and they finally got it straightened out so that the right response was being given to the right question. Apparently when the transcript came out, it took a major effort to straighten it out and get the—

Storey: And get it edited.

Klostermeyer: Get it edited so that the answer to the question made some sense.

Storey: I guess most people don't realize that those things *are* edited before they're published.

Editing Transcripts of Hearings

Klostermeyer: Yeah. In those days—a little bit now, although I've been gone for six years. I don't know what time frame they had. But at one time transcripts were supposed to be—the Bureau would receive the transcript maybe the next day after a hearing, and they were to be sent back to the appropriation committee within forty-eight hours, with *all* of the questions answered, even the ones that were supplied for the record, and any edits that needed to be made to the transcript to make sure that what was said was what should have been said. So after a transcript came back, that was a fairly major project within the Washington office to get everything taken care of.

You mentioned earlier, if a question was asked that no one had anticipated, generally somebody would catch that. Somebody on the program coordination staff that was in the audience at the appropriation hearing was supposed to catch any *new* question that nobody had the answer of. So by the time they got back to the office, they were already anticipating what kind of answer; and if they didn't know it, it was their job to call the region and find out what the answer should be. So that allowed those transcripts to be turned around pretty fast.

Now, with computers and fax and e-mail, that's not a big issue, but back in the days when you communicated to the regions *only* by telephone, and if they had a response, it was called back and transcribed or given to somebody or maybe air-mailed back or—

END OF SIDE 2, TAPE 1. September 7, 1995.

BEGIN SIDE 1, TAPE 2. September 7, 1995.

Storey: This is tape two of an interview by Brit Storey with Bill Klostermeyer on September 7, 1995.

You were saying that you didn't think we used the telegraph much, I think.

Klostermeyer: I don't think we used the telegraph on anything. But the change in communications during my twenty or so years in

Washington in the budget process has made a major change.

Storey: Why don't you talk about that some more. You already mentioned computers and the ability to do spreadsheets.

How Communications Changes Have Affected Reclamation Business

Klostermeyer: When I first came back to Washington, all of our budget was done by hand on spreadsheets, just simple adding machines, cross-checking up and down and sideways to balance the sheets out.

PABS Computer System for Program Staff and Issues with Implementing Use

When I went over to the program coordination division in the early seventies, I'm not sure, '72, '73, that was one of the first things we worked on was trying to get a computer system set up for the program people, called it PABS.²⁵ Had a young man come in from Denver, Tim [Dietrich]. His last name has escaped me right now. But we put him to work developing a program, and the Bureau's program is fairly complicated—you know, five different appropriations, individual different projects, each project broken down into maybe *hundreds* of line items, all with different levels of summation. And so we had Tim put together this

25. Program and Budget System.

system, which met some resistance from some of the regions in implementing because it was complicated. Some of them didn't have access to computer whatever. Of course, it was all made for the main-frame [computer], because there weren't PCs.

Storey: In Denver?

Klostermeyer: Mainframe in Denver. It took some relatively sophisticated programming, some concepts that Tim [Dietrich] had developed. Man, as much time as we spent together and forgetting his last name bothers me, but I guess that comes from old age.

Storey: You'll remember it in the shower tonight or tomorrow morning.

Klostermeyer: Yeah, probably right. Anyway, we put that together—Tim put that together—and it finally took just saying to some of the regional people, regional directors in some cases, "We're going to use this, and this is going to be a bureauwide system. You don't have to use it if you don't want to, *but* you have to prepare all the data *for* it. If you want to keep your own budget on the back of an envelope, you may do that, or continue to use the manual system, but you *have* to participate in at least loading your information onto the master system."

So they did that, and that has become the backbone of the Bureau's system, I think even today, although my guess is they may have to start changing that because I understand they're eliminating the Cyber computer out in Denver. So when they lose the Cyber, they're going to have to either switch that software over to a IBM computer or maybe even change the whole system. *Now* I suspect there's maybe systems on the shelf that the Bureau could go out and buy, although I would suspect not. That became a very sophisticated computer system to track all of the Bureau's budget.

Storey: PABS. And that stands for?

Klostermeyer: I don't have any idea. It stands for something. Program Budget System. Maybe Program and Budget System, I don't know. If I can't remember people's names, I'm not going to remember what an acronym stands for.

Storey: Do you remember when that was?

Klostermeyer: That would have had to have been in the early seventies or mid-seventies, maybe. It was something that we started out simple and it gradually developed until it was pretty comprehensive. We tried to tie that system in with the Bureau's accounting system at the time, which was

FAS,²⁶ I think is what they called the accounting system. Obviously, expenditures came off of the FAS system, and you liked to be able to be compare the *budget* with the *expenditures*. Gradually that was done.

As any change like that takes place, any technology change, you have people that object to it and don't want to get with it and don't understand it. Even though I think the Bureau had a very sophisticated administrative side of the house, even some of those people were not—some of them were more sophisticated than others. Then you also had lot less understanding as you went up the organizational hierarchy, and so some of the other people, the assistant regional directors, regional directors maybe, key people in the Washington office, always didn't understand what was being done.

". . . computer technology has just overtaken people"

Yeah, the Bureau has lived through a—well, over ninety years, many generations, but within the last, I guess, two generations of Bureau people, this computer technology has just overtaken people. You either got with it or you kind of ignored it, and I think most of the people that ignored computers and said they didn't exist and just blanked them

26. Financial Accounting System.

out from their mind probably have retired by now. So there's a new generation of people that went to college and learned how to use computers in school and are making *major* changes in how you make use of them in the government in order to do things more effectively and efficiently.

Computers Make Collation of Budget Information Much More Efficient

It's a good change. I mean, the budget justifications now are all done on the computers. People transmit changes back and forth on e-mail. One person can collate *all* the budget justifications in probably a few hours, a few days at the max. The first year I was in working on putting together the budget justifications for the planning division, we did it all cut and paste. We had standard forms that everybody was supposed to type on and stay within the blue line and all this kind of stuff. They would submit the typed originals in to Washington, and we would cut and paste those things together in order to put [together] the budget justification that went up to the Hill. Then we moved to word processing equipment, and since the Washington office didn't have very much, we would move putting the budget together out to Denver and make use of their steno pool and use word processing equipment then, but not computers, as such, electronic word processor. So I've seen a lot of

changes in those budget justifications take place.

Storey: Boy, I'll tell you. It's amazing what computers have done to the way we do business, and the way we *staff*.

Klostermeyer: That's right.

Storey: When you first started talking today, you talked about at the program sessions people coming in from planning and programs and electrical, I believe you said.

Klostermeyer: Yeah, power division.

Storey: Power. I sort of understand what power was, but what's the difference between planning and programs and these other activities?

Four Major Areas of Reclamation Operations

1: General Investigation/Planning

Klostermeyer: I was using planning as the people that were from the general investigation area. The Bureau, even today, maybe less today than back then, really had four major areas in which they operated. The planning of a project, the original analysis of what to build, if to build, that whole arena, that was all done through what was normally called the Division of Planning or something, so that's the planning I was talking about, people that

prepared the reconnaissance studies, the feasibility studies, and so forth.

2: Construction

Then we had the *construction* side of the house, the engineers that did not only the design for the planners, the preliminary designs, but did the actual construction designs for the construction of a project, and then all the field people associated with construction, and then the operation and maintenance of a project after it was finished.

3: Engineering/Design

I said four. Well, I combined engineering and construction. You had your engineering people in Denver or other region that did the engineering, and then you had your construction forces in the field that did the construction based upon the designs that came out of the E&R [Engineering and Research] center or the region or wherever they came out of.

4: Operation and Maintenance

And then you had your operation and maintenance people.

Administrative Support Staff

And then you had the administrative support staff, and the budget people were

part of that. Most of those divisions were called division or program coordination and finance, I guess.

Storey: So they were basically budget folks?

"The Bureau, being an engineering organization, most . . . budget . . . heads of the program coordination divisions, in the early days were all engineers. . . ."

Klostermeyer: They were basically budget folks. The Bureau, being an engineering organization, most of the budget people were, at least the heads of the program coordination divisions, in the early days were all engineers. I suspect that stemmed from the fact that a large construction program, that's where all the money was, and so they kind of felt they needed an engineer that knew the relationship between the construction of a project and the needs for funding the project.

For a long time, I don't think the *head* of the Program Coordination Division in Washington was anybody other than an engineer. That's not the case now, I don't believe. But I think up until Darrel Mach retired, they were always an engineer. Not always, but most of the time, the assistant commissioner for administration was an engineer. I think Wilbur Kane,²⁷ who was assistant commissioner before I

27. Wilbur P. Kane was Assistant Commissioner - Administration 1963-1974.

came in, I don't believe he was an engineer, but his predecessor and then myself and people before Kane were all engineers.

Storey: When you moved into the Washington office, doing budgeting for planning, what were the kinds of issues that came up while you were doing budgeting, either administrative or project specific?

Klostermeyer: I think most of the issues are probably not much different than the issues now, and that was, how do you get money to do a new study? That was a key thing, and they still have that problem now. Obviously, the studies are different that they're doing now than they were then. When I first came in, most of the studies that were being carried out were project-oriented studies, the development of a project. Now the studies are—well, whatever they're doing, water management studies or environmental studies or something. But a key issue was, how do we get money?

". . . you look at the Bureau's history of finishing a study, and it's *dismal*. . ."

A key issue has always been, when are you going to finish this study? I mean, you look at the Bureau's history of finishing a study, and it's *dismal*. Studies would go on for years after years after years after years. A study that maybe was said, "Well, we'll do this in two

years," would take seventeen years, twenty years for a project to go from the time it was a gleam in somebody's eye until it was a final report.

". . . the constituents . . . would *not* let a project die. They would *not* take "no" for an answer. . .
."

*Part of that maybe was the Bureau's fault; part of it was the local people's fault, the constituents. They were not sure what they really wanted. They would *not* let a project die. They would *not* take "no" for an answer. If the Bureau says, "No, there is not a project here," the constituents would go back to Congress and say, "Yeah, we think there is. Give the Bureau some more money so they can continue the study."*

Storey: So they can figure it out.

Lengthening Planning Time for Projects

Klostermeyer: Yeah. I remember when I was in planning. I was in the Planning Division, but I was not the program officer then, I don't believe. But anyway, when I was in the Planning Division, we made a study on the length of time it took to go from initiating a study until the project was authorized for construction—not constructed, just authorized for construction, *big* difference there. We looked back for several years, and the average time was

like seventeen years. The fastest one was the Third Powerplant at Grand Coulee [Dam]. Funding was originally requested and it was authorized four years after it was originally constructed.²⁸ Others went twenty-five.

Storey: Originally authorized.

Klostermeyer: Originally authorized. Not constructed, originally authorized. If the average was seventeen, a lot of them went twenty-five-, thirty years.

Warren Fairchild and *Talking Turkey in Tucson*

The Bureau had a meeting of planning people, when Warren Fairchild was assistant commissioner, down in Tucson, and they published a report that said—it was "Talking Turkey in Tucson." That maybe took place like '72 or something. One of the issues at that meeting was how to shorten the amount of time it took to plan a project. So the Bureau came out with some new two-step planning processes and what have you. But that was a issue way back then. I suspect it's a issue right now. I pick up the Bureau's appropriation documents, budget justification. There's projects that are still being proposed, maybe even some new projects, that I *know* had been

28. This sentence, as spoken, is garbled. Construction of the Third Powerplant was authorized in 1966, and construction began in 1967.

looked at twenty years ago. I'm not saying that that's *bad* or *good*. It's frustrating sometimes.

Why Members of Congress Might Prefer that Planning Studies Drag On

As I think I said one other time when we were talking, it's easy for the congressional delegations to give the Bureau \$50,000 or \$100,000 to do a planning study than it is to say, "Okay, I think we have enough information that we could go to the full *Congress* and seek authorization for this project." If they seek authorization and they get authorized, *then* they have to go and start asking for big money to get that project under construction, and that's a *lot harder* than asking for study money. So, I think that's one big reason that the Bureau has studied projects forever in some cases.

Storey: Are there any other things that contribute to this besides the political constituent aspect?

Some Offices May Have an Interest in Prolonged Planning

Klostermeyer: Well, I think everybody in the Bureau would deny it, but obviously there's a tendency as you have offices with limited geographic areas [not] to give up the planning of a project, because they may

only have one or two projects they're working on, and if they *stop* planning one of those, there's *nothing* for them to do in that office.

Storey: You mean there's a tendency for them not to give up planning a project.

Klostermeyer: Not to give up, yeah. As long as you're continuing to plan, you have a reason to keep your staff. That was one of the key reasons [for] ~~of~~ some of the reorganizations that took place during the course of the time that I was with the Bureau.

Closing the Denver and Amarillo Regional Offices

We closed down the Denver office, the regional office, and the Amarillo regional office, consolidated into five offices during the time frame that I was with the Bureau, just because of the lack of work that we could see out there.

Every time you had an office open, you had overhead costs to support that office, as well as if you had no work going on, you were going to have to continue to *make* work, continue the plan studies, whatever, in order to keep that going. There was a major effort to close field offices and then close the two regional offices, both of which were closed at different times, and consolidate some of that work into in '88, when the

Bureau had that one major reorganizational report.

Storey: And moved a lot of people to Denver.

Why People Were Moved to Denver in 1988

Klostermeyer: Moved a lot of people to Denver. That was one of the principal reasons to do that. We saw that the work in the regions was cutting off, and there was no sense to continue to staff each region with a *full* staff of people to design a major project.

Storey: Were you there long enough to see whether that reorganization worked?

Klostermeyer: I was not with the Bureau long enough to see that it worked, but I continued, obviously, to stay in touch with the Bureau, and I guess I'd have to say that it probably didn't work as well in practicality as it worked on paper.

Some Reclamation Staff Did Not Buy into Having Work Centralized in Denver

Again, part of it was because people didn't completely buy into the system of having work done in a central place. If you're doing work, you kind of like to have your own staff to do it, and there's some merit in that. So some of the regions *didn't* move all the people they should have into Denver. The matrix

system that was being set up in Denver in the resource management²⁹ organization was really a complex system of managing people and managing work that I don't think anybody really had the handle on, or could get a handle on how to do it, so there was some reasons for failure right there. But the basic idea, I think, was still sound.

Storey: Going back to this seventeen-year period between authorization and beginning of construction, did environmental factors play into that at all, from your perspective?

Klostermeyer: Probably a little bit towards the end, because in the seventies, early seventies, the environmental issues were starting to come into play in the Bureau. So, yeah, but I don't know that it caused all the delays.

Storey: But it might have contributed sometimes.

Klostermeyer: It contributed to some of that, because if you finished a project, then all of a sudden you discovered you had to write an EIS [environmental impact statement], which you hadn't contemplated in the beginning. That added to the length of time [before] the project was completed. And then the complexity of the environmental impact statements continued to grow and grow and grow.

29. Assistant Commissioner – Resource Management.

Storey: Do you think of any other particular issues from back when you were program officer with the Planning Division?

Klostermeyer: Actually, that whole operation really worked pretty smoothly, I thought, not due to any contribution that I made, but because of the way the whole system had been put together.

Each Region Had a Representative in the Planning Division in Washington, D.C.

In the Washington office, in the Planning Division each of the regions had a representative, a *permanent* person on the Washington staff, not a rotating person like they have now, but still performing about the same function. He was extremely familiar with *all* of the planning for a particular region that was taking place, so there was a great deal of coordination between the Washington office and the field office on what was going on in the planning area.

The Bureau had really a fairly significant planning budget at the time, a lot of support in Congress for the planning budget, so funding was never really a major issue. So if somebody proposed something, if it was within the ball park, things could get carried out.

River Basin Planning Efforts

There was a big push across the United States in support of river basin planning. The Water Resource Council was in existence during that time. There were a lot of basinwide comprehensive planning efforts taking place that funneled, I suspect over time, *millions* of dollars into the Bureau's budget for planning. So outside of just watching over the whole thing, it was really a pretty smooth operation.

Storey: The river basin planning is one of the areas where Reclamation is often criticized, the argument being "Well, you built these projects that *really* never should have been built, and then you use the other more profitable parts of the basin to support those 'unprofitable' programs." How do you respond to that kind of thing? What's your attitude about it?

Klostermeyer: It seems to me like you should always make the maximum use of a resource. The biggest area you can evaluate, obviously, is a river basin.

Storey: From a water development point of view.

Klostermeyer: From a water development standpoint. So you evaluate the whole river basin and you put together a basin plan that would include water storage, hydropower municipal water supply, irrigation, recreation, fish and wildlife, all the aspects. If you plan it as one unit, then

you ought to be able to make use of any revenues that come from that project in order to pay for the other units.

The thing that happens is that in a lot of cases—the Missouri Basin is a classic example. They did the planning, the Pick-Sloan Project, that was finally authorized by Congress, looked at maximum use of the basin, and flood control, navigation, everything that you would possibly—

END OF SIDE 1, TAPE 2. September 7, 1995.
BEGIN SIDE 2, TAPE 2. September 7, 1995.

Storey: Looked at Pick-Sloan as the whole basin.

Klostermeyer: Looked at Pick-Sloan as the whole basin. The Corps looked at building the mainstem reservoirs on the Missouri River, and the Bureau had the responsibility for developing some of the other basins, sub-basins, within the Missouri Basin for irrigation and what have you.

The thought was that you use the revenues generated from the mainstem dams to help *pay* for everything else, with the whole project, in effect, *paying* for itself, with no cost to the taxpayers other than things that Congress said ought to be written off, like fish and wildlife and recreation and flood control and the interest expense of irrigation development, with irrigators paying up to

their ability to pay, M&I³⁰ people paying up to their ability to pay, power users getting inexpensive power, but still paying *more* than the actual cost of the power, with the balance being used to subsidize, in effect, some of the other water users.

On the broad scheme, I think it just makes a lot of sense. Now, you can go back and Monday morning quarterback any of those things and say, "Well, you shouldn't have done it," but it's the kind of development that most countries just bend over backwards in order to carry out. At the time almost all of them were proposed in the United States, it made economic sense to the United States.

Storey: One of the things, when you started talking about river basin planning being prevalent at that time, the late sixties, that sort of *triggered* me to pursue the topic is, a lot of the writers sort of write it like it's a conspiracy. What do you think about that?

Klostermeyer: The river basin planning being a conspiracy?

Storey: Yeah, river basin [planning] is a conspiracy to forward programs that really wouldn't be supported otherwise.

30. Municipal and industrial.

Klostermeyer: No, I don't think that was the case. I think that the river basin planning that was being carried out under the guidelines from the Water Resources Council was truly a multi-agency effort. The Water Resources Council was *composed* of the secretary of Agriculture, Interior, Army, and one other Cabinet secretary, Energy maybe, I don't know. I don't remember. The predecessor of EPA [Environmental Protection Agency] was in there. There was a lot of other agencies sitting around the table, and it was really put together as a coordinated effort, along with state input, river basin commissions, which were composed of members of all the states that were within the river basin. Those studies were truly supposed to evaluate all the potential of maximizing the use of that river basin, and maximizing not in the negative sense, not necessarily developing it all so that it all goes to someplace else and is used up, but that there was a balance between users and non-users of the water, like the recreation users, navigation users.

Storey: TVA would have been involved in this some way, maybe?

Klostermeyer: Yeah. I think in the United States there was twenty-six of thirty-five river basins that were being studied. I may be wrong on those numbers.

Storey: But a large number, anyway.

Klostermeyer: A large number. Every river basin in the United States was studied. I may be high. It may be something like sixteen, I don't know. But it was a comprehensive look at the United States water supply. The Delaware Basin provided water for some of the major metropolitan areas on the East Coast. It went all over.

Storey: One question I wanted to ask before we finish today, when the regions came in and proposed a budget in the program sessions, did they have targets they were looking at? Had Reclamation sort of apportioned it up in very broad terms beforehand? How did that work?

The First Budget Call Letter Was an Open Invitation to Propose Activities

Klostermeyer: Reclamation always—the first time through, when the first budget call letter went out in February or March, that was kind of an open shopping list for the region, a wish list if you would, and so sometimes some pretty big numbers and some pretty elaborate schemes would come in off of that. That would kind of get changed.

"... I don't ever recall them having much problem with going down to the Department and asking for whatever they wanted to ask for. ..."

Some of those, during the skull practice or early in the spring before the

Oral history of William C. Klostermeyer

budget was submitted down to the Department, some of those things would have been smoothed out, and that would have been done by the Washington office, primarily. But really, the Bureau, I don't ever recall them having much problem with going down to the Department and asking for whatever they wanted to ask for. Now, obviously they didn't *get* whatever they asked for. The Department would make some kind of screen. But you always had—maybe it was just a gut reaction as to what made some sense in your request to the next level.

"There'd be a lot of discussions in the commissioner's office, the assistant secretary's office, before a budget was sent forward . . ."

There'd be a lot of discussions in the commissioner's office, the assistant secretary's office, before a budget was sent forward from the Bureau of Reclamation.

Storey: But at first it's, tell us what you think you need.

Klostermeyer: Yeah. How do you develop a budget if you don't allow people to say, "Hey, we've got something new coming here. We think this is a priority that we ought to be pushing on." If you put a lid on your first request, you cut out some of the ingenuity that is there in an agency.

Storey: But then later on you have to meet targets that come in.

Klostermeyer: Sure. You have to meet targets, and so then you make adjustments in your budget. You may be able to work it some way that you can have some of these new items being left in, but highlighted. You say, "Okay, I'm going to leave \$5 million in for this new initiative." In the process you say, "If I leave that in, though, I'm going to have to cut \$5 million out of these things, so I'm going to delay something for a couple years in order to restructure the budget."

Sometimes we had [what] we called over-target numbers. If we had a target, we'd meet the target, and then we'd say, "Look, here's an initiative that we think the Bureau of Reclamation ought to go for. We can't fit it within our existing base." You'd carry that over-target number, along, until you get to somebody that says, "Yeah, that's a great idea. Put it in your base and cut something else out." *Or* they may say, "We'll raise your base."

Storey: Especially if it was something some congressman could see or a senator.

Klostermeyer: Sure.

Storey: Good. Well, I appreciate it. Unfortunately, our time is up. I'd like to ask again whether you're willing for

researchers to use the information contained in the tapes and the resulting transcripts for this interview.

Klostermeyer: Sure.

Storey: Thank you very much.

END SIDE 2, TAPE 2. SEPTEMBER 7, 1995.
BEGIN SIDE 1, TAPE 1. APRIL 10, 1996.

Storey: This is Brit Allan Storey, Senior Historian of the Bureau of Reclamation, interviewing William C. Klostermeyer, a former associate commissioner of the Bureau of Reclamation, at his offices at Bookman-Edmonston Engineering in Washington, D.C., on April the 10th, 1996, at about two o'clock in the afternoon. This is tape one.

Indexing Authorizations and Appropriations

Last time, I think we were just beginning to talk about the indexing of appropriations and authorizations underfinancing and that whole complex of the way the money works, and I'm particularly interested in that. I wasn't aware, for instance, that you could index appropriations and authorizations. Could you tell me more about what that's about and who has to approve what and all that kind of stuff?

Klostermeyer: Okay. Basically, it's an indexing of the authorization cost of a project.

Water Resources Projects Can Be Funded on a Multi-year Basis

OMB [Office of Management and Budget] Circular, I think it's A-11, allows water resources projects to be funded on a multi-year process. All *other* Federal projects, whether it's building a battleship or buying airplanes or building a government building, when Congress authorizes a project, if they set a authorization ceiling to the project, when it comes time for appropriation, the appropriation committee has to appropriate the full cost of that particular project.

If they're buying a battleship and it costs a billion dollars, or whatever a battleship costs, the appropriation committee, in the year they first begin appropriations, appropriates \$1 billion. That money is expended and obligated over the length of time it takes to build the battleship, but it's all appropriated in the first year.

OMB Circular A-11

OMB Circular A-11 allows, on water resources projects, to have the monies for the projects, appropriated on an as-needed basis year by year by year, and they do not require that the total cost of the project be appropriated the first year.

Trying to Change the Appropriations System during the Jimmy Carter Administration

Oral history of William C. Klostermeyer

During the [Jimmy] Carter Administration, they tried to change that a couple times and appropriated the full funding for a couple water projects for the Bureau in the first year. Congress saw that was an opportunity to appropriate just what was needed for that year and spread the money around to a whole bunch of other projects and still stay within the President's budget. So that only lasted about two years, and OMB decided that wasn't the way to do it.

Because of that—I guess I'm probably going the long way around to get to the question. Because of that, in the Bureau of Reclamation authorizations for a project, Congress authorizes a project, with the *cost* of the project being determined at the current date. If they were going to authorize a project today, it would be a \$100 million project at generally the beginning of a fiscal year, October 1996, prices—subject to indexing. I could provide the words for it if I had a piece of legislation in front of me, but it's subject to acceptable engineering cost increases or decreases over the years.

So the Bureau knows, Congress knows that if that project is authorized today, and it's not built for ten years, and we have ten years of inflation, the cost of that project is going to be *more* than \$100 million.

". . . the appropriation ceiling, . . . is . . . changed every year as a project goes through the construction . . ."

So a very elaborate cost indexing procedure has been set up to allow the Bureau of Reclamation and the Corps of Engineers—the Corps of Engineers does it on some projects, but primarily the Bureau of Reclamation—to index the cost of their projects every year, and the appropriation ceiling, which governs how much money can be appropriated, is, in effect, changed every year as a project goes through the construction of the project.

Through the years there's been a lot of Congressional oversight, Inspector General reports, General Accounting Office reports on the indexing procedure. They haven't ever changed the procedure of indexing the projects, but they have, in some cases, refined it so that only costs that have not been expended are indexed now, as opposed to indexing the original cost every year, which had been done in some of the early times.

As it was pointed out, it became critical during the period of time when inflation really went out of sight during the time that Carter was President. We were having inflation at 15, 20 percent, 25 percent for construction projects, and that meant that Congress would appropriate money for a project, the Bureau

would spend all the money, and the next year go back and the amount needed to be appropriated to finish a project was greater than it was the year before, even though a *lot* of money had been spent. That was because of the inflation on the part that wasn't built was greater than what Congress was appropriating to build.

I think the indexing procedure is something that no one really understands or pays a whole lot of attention to until towards the end of a project, and then if there's been a lot of add-ons to a project or engineering costs have increased greater than what the inflation has been because of a whole variety of things, changing conditions or modifications to take care of environmental needs or just whatever might come down the line, you get to the end of a project and you've reached the appropriation ceiling, and there's still need to appropriate additional money in order to complete the project. At that time, you have to go back to Congress and seek ~~additional appropriations~~; additional authorization ceiling, and additional appropriations.

I guess that may kind of cover—you talked about under-financing.

Storey: Yeah, what's under-financing?

Under-financing in Appropriations

Bureau of Reclamation History Program

Klostermeyer: Under-financing is a recognition by the appropriation committees. I'm not sure all the appropriation committees do it, but at least the Energy and Water Development Appropriation Committee does it with the Bureau of Reclamation and the Corps of Engineers. It's a recognition by the appropriation committee that, in a construction-type program that the Corps and the Bureau has, there are unanticipated delays that come about during the year—strikes, failure to award a contract as scheduled, bad weather, all the different kinds of things that would prevent a project from being constructed on the most efficient basis. Congress has seen that this takes place at the rate of maybe 5, 6, 7 percent of the amount that the Bureau says they need for a project.

When the Bureau or the Corps puts a budget together, you *can't* identify where any of those slippages are going to take place. The construction people say, "Well, we need this amount of money to do this project." You go through, and on every project they say, "We aren't going to have any slippages. We're going to get all the contracts out. We aren't going to have any rain. We aren't going to have any strikes. *All* of our work is going to be on schedule."

But you do that over the total number of projects that the Bureau might have under construction at any one time—I

don't know what it is now, maybe twenty, thirty different projects—and you *know* someplace in there you're going to have some slippage, and *Congress* knows that. So since they are generally working with a *total* amount that they can appropriate, any place where they can trim down that appropriation, they try to do that. So they appropriate monies for each line item as the Bureau's asked for for each construction project, and then down at the bottom they minus out this, under-financing, this slippage or unanticipated delay item of about 5 or 6 percent of the total amount the Bureau would normally need for the construction if everything went on as scheduled.

It's a very logical way of doing it, but it's a procedure that no one understands very well, including people on the appropriation committee. It's up to the Bureau, then, to identify as they go through the year where that slippage is going to take place. Now, if a year happened where everybody kept their construction on schedule and there was *no slippage*, the Bureau would be short of money, and so they would have to cut back on some of the projects. And that's where most of the confusion takes place, is a Congressman thought he got *all* the money that his particular project needed, and then at the end of the year the Bureau didn't spend that total amount that he got in the appropriation bill. They sometimes would get very upset. But, in

effect, it was the appropriation committee that put a limit on the total amount of money that the Bureau could spend.

They've used, then, the financing technique in the Bureau as long as I've been associated with the Energy and Water Development Appropriation Committee.

Storey: What about indexing? Was that also throughout your term here?

Klostermeyer: Yeah. I don't know when indexing first began. Somebody could run a history of the appropriation acts. [At] one time they would just authorize a project without even putting a dollar limit on the project, and then they began to put a dollar *ceiling* on the project.

If a project was authorized for construction and construction began immediately, indexing was probably not very important. Indexing became important when projects were authorized with the dollar amount and then construction didn't begin for several years, for various reasons—additional planning, additional environmental considerations, lawsuits, what have you—and all those things added to the cost of the project, just because of inflation. So indexing is really added just to take care of the inflation aspects as it would impact a construction project that was being delayed.

Storey: I think I caught a glimmer of why Reclamation would not want the entire project cost appropriated at the beginning of the project, but could you explore that further? You were talking about the Carter Administration.

If Congress Appropriated the Entire Cost of the Project at the Beginning, Reclamation Could Likely Build the Project Faster

Klostermeyer: Actually, Reclamation probably would not object to that, because it would allow them to build the project a lot faster than they can now. If you had a project authorized and *all* of the money for the project was appropriated the first year, then you could really build a project in a very efficient manner, engineeringly efficient construction schedule.

As it is now, the Bureau generally has to, if they get the appropriations on a year-by-year basis, Congress kind of determines the construction schedule, or OMB or somebody else. But if all the money had already been appropriated, you could build it on a fairly rapid rate.

A Reason Members of Congress Might Not like to See Appropriations All in One Year

So I don't think the Bureau objects to all the appropriations in advance. I think the real objections comes from Congress. If all appropriations on project XYZ were

given in the first year, the second and third year of construction, the Congressman from that district could not go back to his constituents and say, "Look what I got for you this year," because the money was already there. By appropriating the money on a year-by-year basis, the Congressional delegation can go back to their constituents and say, "Look, we got you some more money this year. We got you some more money next year," and so forth.

The American public is a very unforgiving kind of people to work with. They always want to know what you did for me lately, and if a Congressman got \$100 million to construct a project and it was four years ago, they would four years hence or six years hence, if there happens to be a Senator up for re-election, he would have nothing to tell them that he did for them in the last five years. He did something for them six years ago, but nothing for them for the last five. If they go back on a year-to-year basis and get the appropriations, then he can point out to his constituents that, "Gee, last year I got you \$10 million. This year I got you \$10 million. Next year I'll get you \$10 million," and so forth. So I think it's more Congress doesn't like to—and tradition. Traditionally, the water projects have always been allocated on a year-by-year basis.

Storey: So then why did the Carter Administration try to change it?

Why the Carter Administration Tried to Change the Water Resources Appropriation Process

Klostermeyer: Well, the Carter Administration was just trying to get the water projects under the same basis as any other major acquisition that the government makes. I think, in part, the reasoning was that if you pointed out to Congress what the total cost of some of those water projects were, they may not appropriate funds for them. If you're only appropriating \$10 million for a project, or \$50 million, depending on the size of the project, on a yearly basis, the impact isn't nearly as great as if you have to appropriate, say, a billion dollars or \$2 billion for like a Central Arizona Project.

Storey: Or \$6 billion.

"I think they were trying to make Congress pay more attention to how much water projects were really costing. . . ."

Klostermeyer: Yeah, whatever the cost is now. So I think when the Carter Administration was proposing that, I think they were trying to make Congress pay more attention to how much water projects were really costing. So they tried it two years in a row, and both years Congress ended up appropriating the total amount, but they spread it over a whole bunch of

other projects and not for the one that the President had requested it for.

Storey: I do not show that we had discussed in detail when you moved to the Planning Division as a program officer in 1969, early '69. What did a Program Officer do?

**Program Officer in the Planning Division
Provided Budget, Tracking, and Funds Transfer
Support in the Planning Program**

Klostermeyer: At that particular point in time in the Washington office, the Bureau had a program officer in each of the major Washington office divisions—Planning, O&M, Power, and I guess the Research Division—and it was basically the function of the program officer to develop all the budget documents for that particular appropriation.

So the planning officer in planning, I had the responsibility for putting together the budget documents for general investigations of appropriation, and then during the year tracking the expenditure of the funds in that appropriation.

Storey: This would be from the Commissioner's point of view, I take it.

Klostermeyer: Yeah.

Storey: Which would vary from the region's point of view, which would vary from the area office's point of view, somewhat?

Klostermeyer: Somewhat, yeah.

Storey: What kinds of interplays were going on there?

Klostermeyer: Well, during that time—and I think we discussed earlier that back in the sixties and early seventies communication was not the same as it is now. We had the telephones, period, and mail. We did not have e-mail or fax or many of those kind of things.

We overcame that by having a couple meetings during the year with all of the key players, the program conference in the summertime and the skull practice right before the appropriation hearings. Those meetings provided a chance for the regional directors to come back to D.C., *or* in the case of the program conference, the Washington people go out to wherever we held the program conference. But we all had a chance to meet with the Regional directors and their key people to determine what direction they were wanting to go and make sure it was in line with what the Washington office wanted. So I think we had very good coordination and understanding of the direction the Bureau was going at that time.

The only problems that might come up during the year is if a particular planning project was moving faster than had originally been anticipated and therefore they needed additional funding, or there was a change that had taken place that they had to explore and they needed additional money, and then it was up to the program officer in Washington, whether it was planning or O&M or the Power Division, to check around and find some money to keep that project on-line, *or* to just tell the Regional Director to slow it down. If we couldn't find any money to fund it, it would be slowed down.

But that communication during the year took place without any major conflicts. It was, I'd say, fairly routine, although it did get kind of exciting every once in a while, obviously when somebody had a big issue come up and they had to find some money right away to move on the new issue and there wasn't any free money in any of the other regions. But with the planning meetings that were held during the year, I think there was good communication and understanding of what everybody's position was. I don't think there was ever any major conflicts.

Storey: How were you able to keep track of what was a substantial budget for those days? Was it *just* you doing the program officer

function? Were there other folks assisting?

Klostermeyer: Well, for the General Investigation Program, when I was the Planning Officer we had one other person in Washington that helped follow the activities. General Investigation also included all the research activities, and there was a research person in Washington that would track that. And then each region—at the time, there were seven. Each region either had somebody in the program coordination staff or somebody in the Planning Division that was looking at just the General Investigation Program.

So even though it was a fairly large program at the time that the GI program was approaching maybe \$30 or \$40 million, it was fairly easy to track. We had reports that came out monthly that showed the expenditure rate for each investigation and for each region.

Storey: Were you only doing GI?

Klostermeyer: Yeah, I was only doing GI.

Storey: So it was a full-time job, though?

Klostermeyer: Oh, yeah.

Storey: Am I correct in thinking that GI would have been the smallest of the major divisions of funds? There would have

been probably a GAE fund, an administrative fund, a construction fund, and an O&M fund, at least.

Reclamation Had Five Appropriations

Klostermeyer: We had five appropriations. We had general investigations; operation and maintenance; construction; general administrative expense, GAE; and the loan program. The loan program might have been smaller than the GI, depending on the year, and they had one person in the Planning Division. They had a loan officer that was kind of the coordinator that tracked that.

Storey: This is the, what is it, the Small Reclamation?

Klostermeyer: Small Reclamation Projects, loan. But the O&M and the construction, construction was the largest program by far, and then came O&M.

Storey: For whom were you working?

Klostermeyer: I was working for the chief of the Planning Division.

Storey: Who was?

Dan McCarthy

Klostermeyer: Dan McCarthy.

Storey: What was he?

Klostermeyer: He was a very mild-mannered, but *very* sharp engineer, that had a great understanding of water development projects. I don't know, Dan had probably been, he may have been the first planning officer that the Bureau had. Well, I shouldn't say that, because I don't know. The *Bureau* went through some major reorganizations in the late forties. I'm not sure where Dan came in at that particular point in time, but he'd been the planning officer for quite a while.

Storey: I'm wondering to what extent the Planning Division and the program officer set the budget as opposed to assembling the budget, and I don't know whether I'm clarifying what I'm trying—

END OF SIDE 1, TAPE 1. April 10, 1996.
BEGIN SIDE 2, TAPE 1. APRIL 10, 1996.

Storey: I sound just about like—

Differing Views of the Budget Process

Klostermeyer: You sound just about like every Regional Director I've ever sat across the table from. I think, depending on where you are within a organization, how you view budget people changes. Obviously, in the Washington office the budget people felt that they were assembling the budget, and they were assembling it in the manner that reflected the commissioner's point of view. The regional director sometimes felt that the Washington office

was controlling the budget, not letting them develop it as they saw fit. The reality of it is probably someplace in the middle.

". . . I think that almost always the Bureau's budget was developed to reflect as well as possible the needs that the region had laid out . . ."

I don't *think* that the—of course, the person obviously that has the pencil in his hand at the final submission of the budget may have, obviously, the most control over what goes in there, but I think that almost always the Bureau's budget was developed to reflect as well as possible the needs that the region had laid out to the Washington office. I don't know, that's kind of a chicken-and-egg kind of question.

Storey: Okay. I believe you mentioned last time that Warren Fairchild had done a study, when he was assistant commissioner, that showed that between authorization and the beginning of construction it took about seventeen years and that they attempted to shorten that time, and evidently there was a meeting in Tucson.

Warren Fairchild and *Talking Turkey in Tucson*

Klostermeyer: Yeah, there was a meeting of principally the planning people in Tucson. They published a report, which I think was

entitled "Talking Turkey in Tucson" or something like that.³¹

Prior to that meeting, I led a task force looking at the time it took from the time an investigation just appeared, through the efforts of some local people or however the investigation finally got started, to the time a project was authorized for construction, and it was about seventeen years. The fastest one I remember was the Third Powerplant on Grand Coulee, and that was like four years from the time that people first started talking about adding the power plant to the time it was authorized for construction; and then, of course, the construction time went on immediately. It was a high priority type project.

And there were other projects that had been around for thirty years or so. They had been talked about and studied and studied and studied, and finally got authorized. Even after authorization, that did not necessarily mean that the project ever got constructed.

31. U. S. Department of the Interior, Bureau of Reclamation, *Reclamation Planning in a Time of Change: A Digest of Highlights and Recommendations of the Bureau of Reclamation's Planning Conference Held in Tucson, Arizona, in February 1972*. On the cover of the report an alternative subtitle is provided in a banner: "Talking Turkey in Tucson." This is a 92 page printed booklet.

"There's been a lot of projects in the Bureau that have been authorized for construction that haven't been constructed. . . ."

There's been a lot of projects in the Bureau that have been authorized for construction that haven't been constructed.

As a result of that study, partly, and partly because of Warren Fairchild's interest in moving the planning program, speeding up the planning program, the Bureau did look at ways of shortening that process. They looked at it several times over the years, and each time everybody recognizes it needs to be shortened and they'd come up with a way of shortening it.

". . . it just takes a certain amount of time to work all the issues out and move the project from an idea to acceptance locally, and . . . on a national basis . . ."

But the reality, I think, is that it just takes, when you're working with the public, it just takes a certain amount of time to work all the issues out and move the project from an idea to acceptance locally, and in some cases acceptance on a national basis, and particularly if there's some big environmental issues, and then get the authorization by Congress.

I suspect that timeframe has gotten longer instead of shorter, because the Bureau hasn't had any new authorizations

for several years, and they're still spending—well, I think the general investigation money that they are spending now is, if you look at it real close, there's probably not a whole lot of it is project specific for planning-type studies. They may be getting money for looking at a particular technique. Of course, the wastewater reuse program is a big issue with the Bureau right now, and I think a lot of that's funded under the GI program. But those aren't necessarily planning-type studies, the traditional planning-type studies of building a project.

Storey: For instance, at that time would you have been working on the Peripheral Canal, maybe.

Peripheral Canal

Klostermeyer: Yes. Of course, that was out in the Mid-Pacific Region, but that was one of the projects that was being looked at. Two Forks is a project that was being looked at. Garrison, Oahe, Animas-La Plata, the Central Arizona Project. Of course, that had been planning, I guess, by the time I came into Washington, had been pretty well completed on Central Arizona, because it had already been authorized and construction had started on it.

Storey: Did you see political pressure being brought to bear to move these things? What was going on? What were the

forces that were sort of pushing and shoving on the GI program at that time?

Political Pressures on Planning Projects

Klostermeyer: Well, I think on the general investigation program you always had political pressures, but it was not a big *giant* force that was being applied to the program as a whole. The political pressure was more local. Most of the Bureau projects were generated by some local interest group, and they would apply political pressure on their local congressional delegation, congressmen or the senators from their state, and depending upon how effective the local people were, and maybe how effective the Congressional delegation was, you might develop some political pressure that way. But it was more local pressure rather than a big *mass* of political uprising.

Storey: How would local political pressure be exerted on Reclamation?

Klostermeyer: I don't think it was exerted on Reclamation, except through the funding process. If a local constituent wanted a project built, they could get their local congressional representatives to put money in the budget and then see that the Bureau spent that money. So that's the way the pressure would come. Or they would bypass the appropriation process entirely and work through the authorization process and get a project authorized

for construction and then get the money in the budget to construct the project.

Storey: You went to the Planning Policy Branch. Was that a promotion for you? Early to the mid-seventies is what I had in mind.

Planning Policy Branch

Klostermeyer: I don't think I changed grades. The Planning Office was doing some reorganization and they needed somebody to head up this new branch that they established to take care of some of the new programs that were underway, and so I moved over to take it.

Coordination of the Work of the Water Resources Council and Other Comprehensive Studies

We had responsibilities for programs like the coordination of the efforts of the Water Resources Council and a lot of the comprehensive studies that were being made around the state water programs, the Westwide Study, and the Planning Policy Office was the office that did all the coordination of those activities. So that was kind of worked back into the engineering field rather than the budget area.

Storey: This would be as opposed to setting planning policy for Reclamation?

Bureau of Reclamation History Program

Klostermeyer: Well, that was part of our activity, too, but that was really kind of a minor part of the activity, because these other things were really high on the radar screen, so to speak.

Storey: So, for instance, you would have—I'm trying to think. I think this was the period when Joe Hall was in Kansas doing the Kansas water plan.

"I think we had a state water study, state water plan underway in just about every state in the West. . . ."

Klostermeyer: Yeah. I think we had a state water study, state water plan underway in just about every state in the West. In addition to that, we had the overall Westwide Study, which was, in effect, supposed to coordinate all of these state water plans.

"The Water Resources Council had a study under way in every river basin in the United States . . ."

The Water Resources Council had a study under way in every river basin in the United States, of which there were a bunch of them, obviously, in the western part of the United States, and the Bureau was involved in that.

**Overlapping Planning Activities Required
Coordination at Reclamation**

So there was just a lot of overlapping kind of activities taking place in the planning program at that one time that would appear to an outsider, and maybe appear to insiders, that they needed to have a little attention in order to coordinate them all and make sure they were moving together in a logical fashion, and so that became the focus of the Planning Policy Branch.

Storey: What grade did you move over there as?

Klostermeyer: I don't have the foggiest idea. Those were probably all 14s at the time. I think I got my 15 when I moved over to the Program Coordination Division.

Geothermal Program South of the Salton Sea

Storey: Then in the seventies, was it while you were at the Planning Policy Branch that you became involved in the geothermal program down in the Salton Sea area?

". . . the geothermal program was really kind of a construction program . . ."

Klostermeyer: I think I probably got started in that when I was still the program officer for Planning, because that became a very *big* budget item and was something that was a little unique on the part of the Bureau of Reclamation because we were at the time—the geothermal program was really kind of a construction program, in *part*, because we were drilling wells, we

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constructed some facilities. All of these things were a little bit different than the planning activities that had been taking place in the past.

On a normal planning process, it would not be *uncommon* to drill wells, but the cost of drilling a geothermal well is a lot different than drilling a well just to determine where the groundwater was or developing a monitoring well for groundwater or something like that.

". . . that became a very high cost program that was being carried out between the Bureau and the Office of Saline Water . . ."

So that became a very high cost program that was being carried out between the Bureau and the Office of Saline Water, so that's where I first got started in the geothermal program.

Storey: That would have been while Manny Lopez was there, I guess.

Manny (Manuel) Lopez

Klostermeyer: Manny Lopez³² was the Regional Director, I think, at the time at Lower Colorado.

32. Reclamation interviewed Manny Lopez for the oral history program.

Storey: In Boulder City, then. What about the wind turbines? Would this have been about the same time?

Wind Turbines

Klostermeyer: Yeah, the wind turbines was going on about the same time. I was still Program Coordinator, I guess, in the GI program for the wind turbines, too, which *again* was a relatively high cost, non-traditional kind of investigation that the Bureau carried out.

Storey: What was going on? Why was Reclamation all of sudden in these sort of non-traditional things? Is there a personality involved or what?

". . . I personally believe the Bureau has always been changing direction. . . ."

Klostermeyer: I think the Bureau has always been on the edge of looking at new activities. I think some of the recent commissioners have tended to take credit for saying that the Bureau is changing direction, but I personally believe the Bureau has always been changing direction.

Congress Supported Reclamation's Efforts in Non-traditional Fields

When there were things that came up that looked like might be a way to better utilize our natural resources, I think the Bureau was willing to jump into those

kind of programs and take a look and see if they really did make sense. We had a supportive appropriation committee on the Hill that would provide the funds that it took to carry out these kind of projects, had a authorization committee that looked in favor of the Bureau moving ahead in new areas, and the Bureau had a large cadre of very talented people that would look at new issues very critically and with a willingness to take a step out and see if there was something that could be done to improve our situation.

Wind turbines, that program developed kind of in cooperation with a Department of Energy program, but the thing that the Bureau was looking at was the fact that if you developed a large wind energy field and tied it into a reservoir, where you, in effect, could use the reservoir as a storage battery by storing the *water* and not releasing it until the wind wasn't blowing and generating energy when the wind was blowing and not releasing water, that made a lot of, at least on the surface, made a lot of sense.

". . . as I recall, the administration was pushing for non-traditional energy sources. . . ."

Also at that time, as I recall, the administration was pushing for non-traditional energy sources. Geothermal studies were being carried out, not only by the Bureau of Reclamation, but the Atomic Energy Commission at the time

had a non-nuclear division that was looking to geothermal energy. GS had a program that was looking very seriously at geothermal energy, both hot rocks and hot water type energy. Because of our activities, we just kind of fit into all those programs.

Storey: Were there any other things like that going on?

Protecting Fish at Reclamation Facilities

Klostermeyer: Those were the two *major* programs that were going on. The Bureau was doing some other things with regard to looking at better ways of protecting fish at our facilities. The Tehama-Colusa fish facilities were being built about that time, a little earlier than that. This was a program that was developed jointly by the Bureau and the Fish and Wildlife Service as a way to improve the reproduction of salmon on the Sacramento River. I think that turned out not nearly as successful as Fish and Wildlife thought it was going to be. The Bureau of Reclamation and the water users in the Central Valley spent a lot of money developing that Tehama-Colusa dual fish system.

Storey: And now I understand they're working on putting in Archimedes screws to try and move the water out of the river and remove the Red Bluff Diversion Dam totally, for instance.

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Klostermeyer: There was all kinds of different things like that being done by different people.

Storey: Let's see. After the Policy Planning Branch, you became the Assistant Chief of the Program Coordination Division.

Klostermeyer: That's right.

Assistant Chief, Program Coordination and Finance Division, a Budgeting Office

Storey: That's still planning, right?

Klostermeyer: No. That was the budget people.

Storey: Oh, okay. I'm sorry. So this was still in the budgeting process, then.

Klostermeyer: Yeah. I moved from Planning into, what do they call it, the Program Coordination and Finance Division at the time, which had the overall responsibility for the budget for the Bureau of Reclamation.

Storey: How did that differ from the responsibility you had as a program officer?

Program Coordination and Finance Division Responsible for Entire Reclamation Budget

Klostermeyer: Well, when I was the program officer for planning, my focus was just on, and my responsibility was only for the planning activities. I put together the GI part of the overall Bureau budget, but the

Program Coordination Division had responsibility over all of the Program Coordinators for all the different divisions, because they had the total responsibility for the budget.

Storey: I'm tempted to ask the same question I asked you a little while ago, but I think I would get the same answer.

Klostermeyer: Hopefully you'd get the same answer.

Storey: About sitting across the table from the regional directors. So . . . What kinds of *new* issues did you have to deal with in that new position? In other words, as a program officer, you were dealing with certain kinds of issues. Did this office have a different set of issues that it had to deal with?

". . . you then have to interface *all* of the *parts* of the budget. As the program manager for the Planning Division, my role . . . was to be the supporter and the cheerleader for the planning budget . . ."

Klostermeyer: Of course, you were looking at the overall *budget*, and when you're doing that, you then have to interface *all* of the *parts* of the budget. As the program manager for the Planning Division, my role in dealing with the Program Division was to be the supporter and the cheerleader for the planning budget, as it was the case of the program manager for

O&M to support the O&M budget when he went before the Program Division.

The "...Program Coordination [and Finance] Division, . . . had to balance out the requirements of the Planning Division, and the O&M Division, and the research people, and the construction people to put together a *total* budget . . ."

But moving into that Program Coordination Division, or assistant chief, that division had to balance out the requirements of the Planning Division, and the O&M Division, and the research people, and the construction people to put together a *total* budget for the Bureau of Reclamation, and in some cases we were not able to give the planning people all the money they wanted, or the O&M people all the money they wanted, or the construction people all the money they wanted.

Storey: Why not? Why not just give everybody what they want?

Why Reclamation Could Not Just Give Everyone the Budget They Wanted

Klostermeyer: Well, we obviously have to go before the—we have *several* different reasons. The Bureau would *request* all the money they wanted, but obviously OMB had a limit on the amount of money that they

would let the Bureau have. The Department finally came in. Early on, the Department was not a major player in determining the size of the Bureau's budget, because we operated under a separate appropriation committee and they just kind of let us operate within the guidelines established by OMB.

OMB and Interior Roles in Setting the Size of Reclamation's Budget

But in recent years, OMB would give the Department of Interior one number, and then they would have to split it out between the agencies, and then the Bureau became in closer competition with the other Interior ~~agencies~~, bureaus. There's, unfortunately, a limit to the amount of money that Congress will give back to the agencies and the bureaus, and that's the reason, even though we would *like* to have more money, we could not always *get* more money.

Storey: So OMB, which is a Presidential office, is that right? I mean, it's an Executive Branch office.

Klostermeyer: It's an Executive Branch office. So is Interior, but OMB puts the budget together for the President. They have responsibility for the President's budget.

Klostermeyer: And they set a target for the Department of Interior, which then Interior tries to live within.

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Klostermeyer: And they set a target for the individual *bureaus* within Interior, which there are ten of, and then the *bureau* then has to set, based on the number that they receive, they have to adjust the requests from the different regions to meet that target number that they got from the Department.

". . . that becomes the place where, in some cases, the regions feel that the budget people drive the program . . ."

So that becomes the place where, in some cases, the regions feel that the budget people drive the program rather than the regions driving the program, and in some cases they may be right, I don't know. I'd never admit that to a regional director, and so if any of them ever take time to read this thing, they'll come after me.
(laughter)

Storey: And then once the budget's been put together by the President's staff, it goes to the Congress. What happens there to the budget?

". . . then the appropriation committees begin to work their magic on the budget, and that's where it gets modified . . ."

Klostermeyer: Well, then the appropriation committees begin to work their magic on the budget, and that's where it gets modified based upon what the appropriation committees think that the agency ought to be doing or

what one of the members of Congress thinks that the agencies should be doing. The different bureaus will get write-ins for the program—

END OF SIDE 2, TAPE 1. April 10, 1996.

BEGIN SIDE 1, TAPE 2. April 10, 1996.

Storey: This is tape two of an interview by Brit Storey with William C. Klostermeyer on April the 10th, 1996.

There would be write-ins for things.

Congressional Write-Ins

Klostermeyer: There would be write-ins for maybe an entirely new project or the money that the bureau requested would be raised to some level that the local people thought was important or a Congressman thought was important. Or something may be cut out, I don't know.

Line Item Veto Bill Passed by Congress

This is one reason for the bill that the President [Bill Clinton] just signed today, the line item veto. That is one chance that the President has of maybe putting a control on things that Congress adds to the budget. I would say subtract, but the line item veto doesn't give the President any way to add money back in that he thinks ought to be added back in if Congress takes it out. But if Congress adds something to the budget that the

President doesn't like, it'll give him a chance to take that money out of the budget.

Storey: The line item veto could alter a *lot* in the appropriations process, I would think.

Klostermeyer: Well, it could. I remember when Congress changed the budget procedures to eliminate what in effect was a line item veto, and that was during the [Richard M.] Nixon Administration. Prior to that time, if a President didn't like something that Congress added to the budget, he would just not spend the money, and that's, in effect, that line item veto. Congress was tired of Nixon not doing what they wanted to have done, so they passed the—the official name of it I don't recall,³³ but basically it was a rescission act, budget rescission act, which required the President, if he did not *want* to spend money that had been appropriated, he had to send a rescission request up to Congress, and then Congress had to act on it. If they acted and supported the President, the President didn't have to sign it. If they did not act on it, the President had to spend the money. So now they've just kind of did away with that and have given the President back

33. Congressional Budget and Impoundment Control Act of 1974 (Pub.L. 93-344, 88 Stat. 297, 2 U.S.C. §§ 601-688) was designed to control the President's ability to impound and not spend funds.

the authority that they took away from him once.

Storey: Of course, the Republicans think they're going to be in power soon.

Klostermeyer: Well, that's right. The effective date of that, as I understand it, is January of '97, so it'll be the new President, whoever he or she may be.

Storey: What was the tendency that Reclamation's budget followed when it got to the Congress? Did it shrink, did it grow, did it stay about the same? How would you characterize it?

Reclamation's Budget Generally Grew

Klostermeyer: I think it generally grew. I don't know, that's an interesting question. I have ever looked at the President's budget compared to the actual budget, but my *gut* reaction would be that it grew, maybe not very much, but there was always changes, there was always additions.

Storey: Do you remember any major deletions?

"I don't remember a major deletion. . . ."

Klostermeyer: To tell you the truth, I don't remember a major deletion.

Storey: What about a major addition?

Congressional Additions to Reclamation's Budget

Klostermeyer: Well, the major additions would be—I can't pinpoint a particular one, but it would be projects that Congress wanted to get started, and they would add write-ins to start the project.

". . . all the new starts on loan programs were write-ins . . ."

The loan program was, I think, a *classic* example. Generally, all the new starts on loan programs were write-ins that Congress wrote in. The local people had done the studies that were required, but they probably hadn't been sent up to the Hill yet, or at least if they'd been sent to the Hill, the Administration hadn't included them in the budget that had gone up to the Hill. So almost all the loan programs were write-ins, and actually are still write-ins.

New GI Studies Were Often Write-Ins

A lot of the new GI studies were written in, and that was a case where the local people would go to their congressman and say, "Hey, give the Bureau \$50,000 or \$100,000 or something to study this project," and so the Congress would do that, and they would do that, and do that. That's the reason, in part, that a lot of the studies took so long from the time that they were

conceived to the time that they would start, because the local people did not want the study to stop, and their congressional delegation, for \$100,000, could keep a study going forever. Even though the Bureau maybe would say, "Hey, look, this study isn't really feasible," and would *propose* to bring it to a close, the local people would keep the study going on.

Congress Was Inconsistent in Dealing with Different Projects

The appropriation committees would do a lot of different things, and I'm not sure they really had a consistent policy on why they did things. I remember on the Central Utah Project the appropriation committee told the Bureau not to spend any money until the local people had approved or reapproved—I don't remember the exact status of it—the repayment contract. And on other projects, the appropriation committee would allow the Bureau to continue even though there maybe was a vote that needed to have, the local people needed to approve a repayment contract, the Central Utah Project obviously being a big one, so that might have been the reason they stopped. But I think on the whole the appropriation committees have always been very favorable to the Bureau of Reclamation, and I think probably still continue to be that way.

The Energy and Water Development Subcommittee Has Always Been Bipartisan

The appropriation committee for the Energy and Water Development Subcommittee has always been a very *bipartisan* committee. The members work together very well and would support each other's request. There was generally not any political *bickering* on the committee, and they were all really pro-development of water projects, so I think the Corps of Engineers and the Bureau came out very well.

Lumped with the Department of Energy, Congress Had Flexibility in Dealing with Reclamation

The committee had a lot of flexibility, too, in their appropriation process for a long time. Now that's changed in recent years, but the committee had funded some of the Department of Energy activities and what used to be the Atomic Energy Commission, and there were a *lot* of *big* dollars in those programs where they had flexibility. So the President could send up a budget request and the appropriation committees could move money around between the nuclear activities and the water activities pretty easily and put forth an appropriation act that was within the President's budget. It may not look anything like the President's budget, but the bottom line numbers were okay.

Storey: When did you become Division Chief?
How did that happen?

Warren (Hank) Wilson

Klostermeyer: I don't remember when I became. It happened because Warren Wilson, who was the Division Chief, retired, and so I just moved into his job.

Storey: So there was only one Assistant?

Klostermeyer: Yeah, and so I moved in and became division chief. I probably was assistant for a couple years, two or three years, I'm not sure.

Storey: And then how long as division chief?

Don Anderson

Klostermeyer: Probably about the same length of time. Time passes so fast when you have fun. I'm not sure. But I moved from that job up to assistant commissioner when Don Anderson retired, which was in '81. I maybe had been division chief for maybe three years, I guess.

Storey: What level would that have been in the GS system?

Klostermeyer: The division chief was, I think, a 15. I think the assistant division chief and division chief were both 15s.

Storey: How did your responsibilities change from being the assistant division chief to being the division chief?

Klostermeyer: Of course, as division chief you have the responsibility for the whole division. Hank Wilson and I had worked together real close, and so we were almost, if there's such a thing as a co-division chief, we were that. We shared our responsibilities, or *he* shared his responsibilities with me, as assistant.

Worked at Computerization of the Finance System

I spent a little more time working with the Finance Division, which we still had one in Washington then. That's when I started to develop with Tim Dietrich, who I couldn't think of his last name when we talked before. That's when Tim and I started working together developing some kind of computer budget, automated budget system for the Program Division. Hank kind of gave me the lead in developing that budget system with Tim.

Storey: This is while you were the Division chief?

Klostermeyer: While I was assistant chief.

Storey: Okay.

- Klostermeyer:** And so when Hank left and I became Chief, then I had the full responsibility for all the activities.
- Storey:** Did you ever go through the Bureau's manager training program or the departmental manager training program?
- Klostermeyer:** No, never went through either of them.
- Storey:** Had you set your sights on a higher management position or did this just happen by accident or what?
- Klostermeyer:** It happened by the *grace of God*, I think. I keep looking back at my career and wondering why things happened like they did, and I truly believe that there was a higher power looking after me than I was looking after myself.

". . . every job that I've *had* in the Bureau was a job that really was offered to me rather than me making a major effort on seeking the job. . . ."

When I came to Washington from Denver, I kind of had in the back of my mind that, if you were going to work for the government, you might as well work at the top and give out the orders instead of taking the orders, so that kind of guided my thought process in coming back to D.C. But every job that I've *had* in the Bureau was a job that really was offered to me rather than me making a major effort on seeking the job. Now, obviously when I went from Planning

over to Program Coordination, I had to let somebody know that I was interested in going into the budget area, but it wasn't a case of having to do a big sales job or anything in order to get that job.

Don Anderson had been Program Coordination Director, chief I guess, and he went up front to be assistant commissioner. Basically, I think there was maybe only two or three people that applied for the Chief's job. I applied for the chief's job, Hank Wilson applied for the chief's job, and maybe somebody else did. Hank had been in that division for a long, long time and in reality was probably the best choice for the job. But Don offered the assistant job to me and said, "Look, why don't you guys work this out as a co-chief job," because he knew that Hank Wilson was going to be retiring in a few years. So when Hank retired, I moved into the chief's job. When Don retired as assistant commissioner, I guess I was basically the logical choice to move up to that job.

Storey: So he was your supervisor?

Klostermeyer: He was my supervisor.

Storey: As assistant commissioner for administration.

Klostermeyer: Right.

Storey: What was Don Anderson like?

Don Anderson

Klostermeyer: Don was a super-sharp individual, understood the budget probably better than anybody in the Bureau of Reclamation had before or after, could remember numbers like he had a computer up in his mind, and was a very thorough individual and very knowledgeable when it came to taking care of the programs which he had responsibility of. A good guy to work for, because he knew what he was talking about and was a disciplinarian and kept everybody in line.

Storey: So he was sort of an old school manager, was he, or did he consult before he made decisions?

Klostermeyer: If there was time to consult, he might consult, but he was kind of brought up in the old school, and if a decision needed to be made, and he was the one that had to make it, he made it. If he could *consult*, he would consult.

Basically, he was never in a position, very seldom, of having to make decisions that he did not have full knowledge from his staff about making, and I think that's really a key of a manager. If he knows what's going on, you don't have to ever worry about not consulting with people, because in the process of finding out what's going on, you've done your consulting with individuals. And then

being the manager, it may get down to the point where you make a decision and your people may not think that that's the right one. But in view of your overall knowledge of the situation, it probably is.

The old saying is that, "he may not be right but he's boss," has a lot of merit. A lot of people anymore don't recognize that. As an employee, you ought to make all of your input into your boss as you go along and so he understands your position fully, but when it comes down to making the decision, he has that responsibility, and that's what he's paid for, so he ought to make it. He may not be right in your view, but he *still* is the boss.

Storey: Now, you were asked to become assistant commissioner for administration, is that correct?

Assistant Commissioner For Administration

Klostermeyer: I probably applied for it, but, yeah, basically I was.

Storey: Let's see, that was in '81, so by that time it would have been a SES [Senior Executive Service] position, I believe.

Klostermeyer: Yeah. I'm trying to think. I don't know whether I moved into it as a SES position or whether I—I probably did, yeah. I probably moved into it as a SES position.

Storey: What did you have to do in order to become a member of the SES?

Klostermeyer: I don't think I did anything, not that I know of. I probably had a requirement that I had to take some training after I received the position, and I went to a couple management training seminars or Bureau training sessions. OPM [Office of Personnel Management] put on one out in—I went to one out in Berkeley for a week, or maybe two weeks, went to another one down in Charlottesville, Virginia, at OPM's school down there. I mean, they maybe had some overall management training requirement for the SES. But anybody that was in the Bureau for any period of time that was in a senior management position had been exposed to a lot of management courses as it was.

Entered the SES Soon after its Creation

You've got to recognize that the SES program was relatively new at that time. I was not a charter member, but I probably got in just a few months after they established the program. So I'm not sure anybody really knew—they didn't have any *formal* programs, *pre-SES* type programs, established at that time, like they do now.

Storey: What new areas of responsibility did you have to deal with when you became the assistant commissioner?

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"I always said that the Assistant Commissioner-Administration got all the jobs that nobody else wanted. . . ."

Klostermeyer: Well, I always said that the Assistant Commissioner-Administration got all the jobs that nobody else wanted. I picked up the responsibility for personnel, procurement, property, safety, information resources. Eventually I was given international affairs, as well as program coordination and finance.

Storey: So each of these were divisions?

Klostermeyer: Yeah, they were each divisions. That obviously broadened my responsibility a whole lot, although the appropriation committee still looked upon the assistant commissioner for administration as being their person within the Bureau. Don Anderson over the years had established a very good working relationship with the appropriation committees, and I had done the same thing when I was in the division, and so that kind of followed me up, as it had with Don, to the assistant commissioner's job. But on top of that, you had all the other disciplines thrown in.

I always said that I probably had the best job in the government, because I had a lot of great people working for me that were division heads of all the other divisions, and they had good staffs. I always thought that the Bureau of

Reclamation had probably the best overall administrative organization of any of the bureaus within Interior. Now, some of the other bureaus may disagree with me on that, but I thought, as a whole, collectively we had the best administrative people.

Reclamation Was Always Deeply Involved in Departmental Administration Programs

One way you can judge that was, anytime the Department was trying to make some adjustment in an administrative program of some kind, the Bureau of Reclamation people in that particular function had the lead or were a key person in the changes that were being proposed by the Department. As assistant commissioner, I always encouraged that, that our people stay involved.

It kind of worked on the premise that it would be like riding a horse. If you were involved, you would at least be on the horse with a rein in your hand and you can kind of at least keep the thing running, keep the horse running in a circle, or the changes running in a circle. If you were on the horse and you didn't have a rein, you'd have some control. But if you were *not even* involved in the process, you'd have *no* control over the horse.

So I always encouraged all of the Bureau people, any time they had a chance to be on a departmental committee, to do that, and I think as a result of that, the Bureau was respected among the departments as having some good administrative support people.

Reclamation Asked to Take over Payroll for Department of the Interior

That was one of the reasons we were asked to take over the payroll system for the Department. The development of the Administrative Service Center out in Denver was a spinoff of us being involved and being willing to take on new challenges.

Storey: When did we do that? Was it while you were assistant commissioner?

Klostermeyer: Yeah. Probably in '85 or '86.

Storey: That's Interior-wide for the whole United States, isn't it?

Klostermeyer: Yeah. Actually, *now* they've taken over the payroll operation for several other agencies, including, I think, Social Security. We probably got started on that in maybe '84, probably in '84.

The Bureau *had* been doing the payroll for itself. At one time, the Department of Interior had about four different payroll systems, and they finally

got it down to where they only had two, the Bureau of Reclamation's pay period system and the Geological Survey's—

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Storey: And the DIPS system. D-I-P-S, I guess.

Klostermeyer: D-I-P-S, yeah. I have no idea what—Department of Interior Payroll System. That's probably what it stood for.

Obviously, when any bureau *has* something going on, trying to change it becomes pretty tough. All the Interior bureaus were either under, finally got under DIPS or they were under PAYPERS, and then a study was made on whether the Department ought to have just *one*. Through a lot of effort on the part of Reclamation's people and others within the Department, it was finally decided that the PAYPERS system was probably the best system for the Department. The Bureau of Reclamation was *probably* a little more willing to support the continuation of that system than what the Geological Survey was, and we maybe had more resources to do that. So we took over the whole payroll system.

Administrative Service Center Created

The PAYPERS system *at the time* was just a system of paying people, of

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sending out the checks, and then we created the Administrative Service Center out in Denver, and we gradually took over *all* of the processing side, the clerks' side of the payroll system. In the process of doing that, we were able to save, I don't remember the exact numbers now, but several million dollars in total across the Department by the Bureau picking up the *clerk* side of the payroll system, the processing, the front-end side of the payroll system, and that's led to an expansion of that Administrative Service Center.

Department Decides to Consolidate All Finance Systems

The Bureau took over—the Department wanted us to consolidate all the finance systems, which again, each bureau had their own finance system. So on *that* effort, the Department gave Geological Survey the lead, since the Bureau had the lead on the payroll system, so GS developed an administrative service center within-house. It was not a separate kind of organization like the Bureau established out in Reston [Virginia]. They took the lead in developing the new accounting system for the Department, and the Bureau kind of had a co-function on that. It was finally decided that half the Interior bureaus would come under the guidance of the Bureau of Reclamation and the other half would be under

Geological Survey, but both using the same finance system.

The Bureau of Reclamation has, because of our repayment contracts and all this kind of stuff, our financial requirements are a lot different than most of the other bureaus in the Department. We required quite a few modifications to the "off-the-shelf" system that the Department bought, so that kind of made it necessary that we be actively involved in the finance system, and then working within the administrative service center concept, where we could provide administrative support for a lot of bureaus that needed it, it made sense for us to do some of that out of Denver. That has been, in *my* estimation, a very successful effort out in Denver, and it must continue to have been that way, because, as I say, I understood that they just picked up doing the payroll for Social Security.

Storey: What kinds of *issues* were you confronted with? Did any one of those divisions sort of bubble to the surface more than another?

Personal Computers, Information Resources, and Standardization Needs

Klostermeyer: Oh, I don't know. Of course, and I think I talked a little about this in one of the other sessions, and that was the changes that took place in processing of data. One of the key things that came up dur-

ing that point in time was personal computers and information resources, and how you process data, and who did it. Up until that time, the Bureau's Information Resource Division was basically running the mainframe computer out in Denver, and then they had bought some *smaller* mainframes for all the regions, a digital machine, a VAX I think they called it.

During this same timeframe, PCs were starting to pick up, and in the beginning each region would do their own procurement of personal computer, and there was a lack of *standards* across the Bureau. We were running into problems with government regulations on procurement, how you could make a region or a area office could buy one or two PCs, but as soon as the Bureau came out with a standard, then that became a *major* procurement, and it got very complex and very expensive. So we were having problems with trying to develop a bureauwide standard, whether everybody was going to be on IBM or whether somebody was going to be on Apple computers and *what* software systems they were going to use, WordPerfect or whatever. So there was a lot of major issues coming along that line.

In the process of developing the Administrative Service Center, the accounting system was a IBM-based

program, which would not allow it to run on the Cyber computer out in Denver, which was really an engineering/ scientific type of computer, and so we had to procure an IBM mainframe for the Administrative Service Center.

There was just a lot of exciting areas going on. Of course, personnel issues were still big. During the time I was assistant commissioner, when they did the '86, was it '86, I guess, re-evaluation of the Bureau.

Storey: *Assessment, '87.*³⁴

Klostermeyer: '87, yeah. It was started in '86 and finished up in '87. That brought a lot of reorganization–personnel issues involved.

". . . the Department instituted a warrant system that required procurement people to be professional procurement people, not engineers that were trained to procure . . . "

When I took over the job as assistant commissioner, that was two or three years into a major reorganization that the Bureau had done on procurement. Up until that time, the

34. U.S. Department of the Interior, Bureau of Reclamation, *Assessment '87: A New Direction for the Bureau of Reclamation*, September 10, 1987. This was accompanied by an *Implementation Plan: A New Direction for the Bureau of Reclamation* which was updated in 1989.

procurement people were basically engineers on a construction job, and the Department instituted a warrant system that required procurement people to be professional procurement people, not engineers that were trained to procure, and so there was a major argument, that probably still exists, between the engineers on our construction job and the procurement people.³⁵ I think over the years it's kind of calmed down, but that was one of the issues that I focused on early on in my stay as assistant commissioner.

Of course, property management. That's always kind of a *lower* priority thing in some people's mind, but it becomes fairly important when you look at a agency the size of the Bureau and the amount of property we have, how you control it, and so forth.

The Paperwork Management Act³⁶ was passed during that time. The Bureau had a major paperwork management study to try and change the ways that we took care of our files, *if* we needed to have files.

35. Another aspect of this reorganization of the contracting function was that construction contracting moved away from the assistant commissioner–engineering and research's (formerly the chief engineer's) office in Denver to the regional offices—a change opposed by some construction engineering staff.

36. The Paperwork Reduction Act of 1980 (P.L. 96-511) was signed by President Jimmy Carter on December 11, 1980.

Storey: How did you work through these kinds of decisions, standardizing computers? How did Reclamation deal with it?

Klostermeyer: Well, as I said earlier, we had great staff in the field. A lot of the division chiefs—well, for the information resources, their division office was in Denver, obviously right with the computers. We also had an Office of Administrative Systems, I think we called it, out there in Denver that kind of worked through some of these things. The field people developed some programs, and we would lay them out in front of the Department and see where we'd go. I had a *lot* of support from key people at the Office of the Secretary level, the Assistant Secretary for Administration and some of the other office heads within the Department, and as I said earlier, we just kept *involved* in the Department issues. Anything that we tried to do that was a little bit different, we had people saying, "You can't do it," *because* we had never done it before or whatever, and our people generally had a strong enough case that we could win out and show why this was the way that we ought to be going.

A lot of the changes we could institute—for instance, on the computers. I think we came to an IBM-compatible standard just by saying, "Look, we need to have the information in a certain format, and this is the format that we need in the Washington office. So if

you're going to communicate with the Washington office, you better have the equipment in the field to allow you to do that. Now, if you want to have two or three different kinds of computers out in the region, that's okay. But if you want to communicate with the Washington office, you need to have this, this, and this." The regions finally recognized that there was a need to come around.

I don't think the Bureau *ever did* get a bureauwide procurement for PCs through. We had a RFP out when I left the Bureau, but I don't think that was ever accomplished, and it was not because the Bureau didn't have a good one. We had a very thorough RFP. But all the other bureaus recognized that they had the same problem, so by then the Department had some kind of ADP council or something that every major procurement activity had to go before this council.

The Bureau went up with our—actually, I made two or three presentations before the Department on computer acquisitions, PC acquisitions. We finally got it approved, but then they put a *caveat* on it that we had to take on all of the other bureaus that wanted to add their names to it and the number of computers that they wanted to it. It became a huge, huge procurement, and that just *bogged* it down. And the computer technology was changing so fast that by the time you put together the specs that it took, you were

looking for systems that were out of date by the time you were procuring. Like I say, we had that bureauwide buy that hadn't been accomplished by the time I left, and I don't know whether they ever bought it or not, and just by *de facto* standardization, that became standard across the Bureau.

Storey: Fairly expensive item for Reclamation to provide computers to everybody.

Klostermeyer: Oh, yes, yes.

Storey: What kind of discussions went on about that?

Klostermeyer: We finally established a working capital fund that the Bureau now is using to basically buy that kind of equipment. Some of the early computers, when they first bought the Cyber, and that would have been, I guess, back in the, I don't know, sixties, I guess, we had to go to Congress and ask for special appropriations for the computers. When we upgraded the Cyber and we bought the digital system, we went and asked for appropriations.

Working Capital Fund Created a Revolving Equipment Purchase Account

Then when we established the working capital fund, we were able to develop a charge-back system, where people that used equipment, whether it

Bureau of Reclamation History Program

was computers or the drill rigs or trucks or I don't know what all they—payroll system now. They pay a service charge for the use of that and it goes into the working capital fund, and that's generated enough money that you have funds there that you can replace your obsolete equipment. And so I don't think funding computers anymore is a major problem with the Bureau.

Storey: Did Reclamation have to deal with any psychological problems about computers, who should be using them, who shouldn't be using them, that sort of thing?

Klostermeyer: I don't know whether they were *psychological* problems.

Storey: Administrative, hierarchial, whatever you want to call them.

Klostermeyer: We had problems with who should use computers. When I came in as assistant commissioner, the policy was that word processors were only to be had in a steno pool situation. Of course, that was the predecessor of PCs, really. If an office had a word processor, it would be in the steno pool as opposed to at a secretary's desk. Partly that was a cost thing. I mean, they were pretty expensive in the beginning. Just about every office had a steno pool, and so it made sense to get a word processor, put it in the steno pool, train the people in the steno pool on how

to use it, and let them do all of that kind of activity.

That was one of the early decisions I had to make was whether or not secretaries could have a word processing type instrument on their desk. Do you let the division secretaries do it, or do you let every secretary do it, or do you keep it in the word processing organization? So you had *that* kind of thing to go through.

Since I was in Washington, I don't know what kind of problems they had in Denver with who used computers in the engineering side of the house. The assistant commissioner for engineering [and research] worried about those people, and hopefully our administrative people out there provided them with whatever they needed, I don't know.

But I suspect if there was any problems, it was the people that were used to using the mainframes, which there was a whole division just to support the mainframe, and then had people take applications off of the mainframe and put them on PCs. As the PCs became more and more powerful, they could do stuff that used to only could be done on mainframes. That moved the ability to carry out certain studies down to one individual's desk as opposed to him having to go to the administrative

support, the information resource people in order to get some work done.

Those were major changes that obviously had to [be] overcome, and I don't know that they were any different for the Bureau than they were for any other government agency or a private firm.

Storey: I think we have reached the end of our time for today. Let me ask you again whether or not you're willing for the material on this tape and the resulting transcripts to be used by researchers.

Klostermeyer: Yes.

Storey: Good. Thank you very much.

END SIDE 2, TAPE 2. APRIL 10, 1996.

BEGIN SIDE 1, TAPE 1. APRIL 11, 1996.

Storey: This is Brit Allan Storey, Senior Historian of the Bureau of Reclamation, interviewing William C. Klostermeyer, a former assistant commissioner of the Bureau of Reclamation, at his offices in Washington, D.C., on April the 11th, 1996, at about one-thirty in the afternoon. This is tape one.

Assessment '87

Yesterday, we had gotten you to be assistant commissioner for

Oral history of William C. Klostermeyer

administration, and I think I was just getting ready to ask you about the, I guess it was a task force that was put together by Jim Ziglar to study Reclamation. He brought Joe Hall in from outside Reclamation to head that, though, of course, Joe's a longtime Reclamation employee. What kind of involvement did you have in that, and how was the Washington office and the rest of the offices in Reclamation reacting to this study?

Klostermeyer: Obviously, any reorganization study sends shudders down through the employees in an organization, and particularly in the Washington office because one of the proposals that was kicked around fairly early was running the Bureau of Reclamation Washington office with the same kind of staffing level as the Western Area Power Administration was running, and that was like four or five people. As you can imagine, we had about 180 to 200 people in the Washington office at that time, so there was a *great deal* of concern on the part of the employees in the Washington office as to what was taking place.

Of course, my involvement as assistant commissioner was one of— well, the task force was put together without any of the *major* leaders in the Bureau involved, as I recall, but we became involved very soon. Boy, you know, I'm just kind of drawing a blank on who was

on the original task force. Maybe we were all the Permanent Management Committee, as it was called at that time, which consisted of all the regional directors and the assistant commissioner and the commissioner. I guess we were involved from the very beginning. Some of the actual work was being done by a task force of representatives of each of us, but we were not held out of the process.

After the report came out, we were having a lot of meetings of the Permanent Management Committee where we would break off. I suspect we had a meeting every other week to talk about the various alternatives that could be developed for the organization of the Bureau. I think most people on the Permanent Management Committee recognized that there was a need to restructure the Bureau, and that the Bureau had been changing and was changing. I know people described the Bureau of Reclamation as being kind of like a huge aircraft carrier that was changing direction, and with an aircraft carrier, you don't come up and make a 90-degree turn. It takes a long time for that carrier to turn and change direction.

In the writing of the report, there was a major effort to try and get that into the report—that this was not anything completely new, that it was just a recognition of the changing times which

the Bureau of Reclamation was going through, and that this was one way to recognize that that should take place.

The original plan was to put out the basic report, and then after there was some time to react to it, follow with an implementation plan. Some of us had left town—left the country, actually—to go over to an International Commission on Irrigation and Drainage meeting. I think that one was in Morocco someplace. Anyway, it was out of the country. While we were gone, we heard that the report had been released. In fact, both reports had been released, an implementation plan, as well as the first report,³⁷ which I apologize, I don't remember the name of it. So things kind of got stirred up in a real hurry then.

After the implementation report came out, people focused on what was happening rather than *why* it was happening, and in my estimation, that was a mistake that was made in *putting* the two reports out at the same time. If we'd put the first report out, people could have recognized that there was a legitimate reason for the changes that were going to take place.

Storey: Now, are we talking *Assessment '87*?

Klostermeyer: Yeah.

37. See footnote 34 on page 232.

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- Storey:** Okay. The little *published* report.
- Klostermeyer:** The little *published* report.
- Storey:** Okay.
- Klostermeyer:** There was *Assessment '87*, and then there was an implementation plan. There are actually two reports. The *Assessment '87* kind of assessed where the Bureau was, but that report was read very little because everybody focused on how it was going to be implemented.

There became a lot of controversies centered around the Washington office after that report came out. The original thought was that the Bureau could operate the same way as WAPA [Western Area Power Administration], with a very small Washington office staff and a large staff in Denver, in the case of WAPA and in the case of the Bureau, with the commissioner being out there. When the report came out, people recognized that the Bureau was not like WAPA, that the commissioner played a major role in D.C., particularly with the interface between all the other Interior agencies and with Congress. So the congressional delegation got involved in a big hurry. There were many meetings between Jim Ziglar. I participated in some of them, and [Congressman] Tony Coelho, who was a big supporter, actually, of the Bureau and did not want to see any kind

of [re]organization that would hurt the Bureau take place.

Most of those discussions were over the size of the Washington office, where certain functions would take place, a lot of emphasis on what was going to happen to the Reclamation Reform [Act] staff that was in Denver, whether they should stay in Denver or be moved back to Washington. That was fairly a controversial group of people at the time. I think that the Democratic-controlled Congress thought that the Republicans were going to just hide that group and figure out a way to do away with Reclamation Reform [Act compliance].

So, it finally settled down that there was going to be about a Washington office staff of I think about sixty people. The commissioner, assistant commissioner, some support staff, *all* the budget people, and *all* the contract people were required to stay in Washington. Now, that's the repayment contract people, not the procurement people, the repayment contract people. *All* the other administrative functions, it was okay to move them out to Denver—personnel, procurement, property management. And so that took place, as well as a major reduction in the O&M and planning people that were in Washington.

A Lot of Staff Just Left Reclamation Rather than Move to Denver

Now, what happened in that reduction was, a *lot* of people just left the Bureau of Reclamation, and unfortunately the Bureau lost a lot of *key* people. They were picked up by other organizations both within Interior and outside of Interior. I think in personnel, I think only one or two people, maybe three at the most, moved from the Washington personnel staff out to Denver. Just in that area alone, if the Washington staff was actively involved in the personnel policy of the Bureau and you eliminated the whole staff, it made a major hardship for the people in Denver to all of a sudden assume a new role, and that being policy.

That was true *across* the board, I think, in all the different divisions. The people that were *used* to working in Washington and the different interfaces that would take place between the different bureaus at the Washington level was really lost, because the people in Denver had not had that interface with Washington. I always said—and I always still say—that in Washington, D.C., more major decisions are made in the hallway or in the john rather than in a conference room. You'd catch somebody in the cafeteria, for instance, or walking down the hallway or in the john, and you can get a decision right on the spot; whereas

if you had to arrange a meeting, everybody's too busy, if you have to run a bunch of letters through, it became just hard to do. I think the Bureau lost out when we moved that big a staff away from Washington back to the field. We lost that interplay that those of us who had spent some time in Washington *knew* was happening, and there was no way to replace that.

It Was Thought Denver Staff Could Fly to D.C. for Meetings

The thought was that you're four hours by plane from Denver to D.C. In reality, that's a day. But the original thought was, well, if you have a special meeting, you can fly the people back and forth and that's less costly than having a staff back here that, in the view of some of the people in the Bureau, was really not contributing anything to the overall accomplishment of the agency. I don't think that that was a fair assessment of the Washington office of the Bureau of Reclamation. I think they all made a major contribution.

In the discussions that took place in this *Assessment '87* and in the reorganization that followed, it was my opinion that there was basically—I haven't thought about it for a long time, but probably three different categories of people, experience base of people, that were making the decisions. There were

the people that were in Washington *or* had spent some time in Washington, like myself, that recognized the contribution that the staff made and the contribution that they made *only* because there was an informal interplay taking place between the staffs of the other agencies, the other bureaus within the Department, other agencies within the Federal government, and with the Hill. That group, and it was really a small number, maybe three or four people, ~~that~~ said we really ought to keep the Washington office about the same size.

Then there was a group of people that just didn't trust Washington at all. They said Washington, they drag on the overall efficiency of the agency, and if the Bureau ever wanted to move ahead, they had to get rid of the double reviews and the administrative expenditure that a Washington office was making. The *demands* that the Washington office made, the rules and regulations that were coming out of Washington, all of that kind of stuff, some people thought you could do away with completely and just let the regions and the E&R Center at the time, or the Engineering Center, I guess we changed the name to, just do their own thing.

Then there was another group that was *kind of* in the middle. They recognized that personally they had a good political base with their congres-

sional delegation in Washington, and so they really didn't need any support from the Washington staff. If they wanted something for their particular region, they would just go to their own congressional delegation and get that. I don't think they necessarily felt that the Washington office wasn't needed. It was just *they* didn't need them as a regional director. They didn't need them in order to get their particular projects done, or whatever they were after, and so if they didn't need the Washington office, they had no problem with the Washington office being eliminated.

Those two groups, they obviously made up the majority of the Permanent Management Committee, and so when any votes came down on how big a staff we keep in Washington, they always won.

The report finally came out as, we recognize for this activity to take place, the reorganization to take place, that we had to be unanimous in our report, so the report came out signed by everybody on the Permanent Management Committee as being in support of what took place. So even those of us who thought there was a real need for the Washington office, we supported the overall position that the Bureau really was changing and we had to recognize that change.

Congress Was Very Interested in the Size of Reclamation's Washington Office

I think it was really a surprise to some of the people when Congress got so involved in the size of the Washington office. I don't think people realized that the Washington office did play a major role in some committees in Congress, particularly the appropriation committees. They were very insistent that the budget people not be moved out of D.C. The repayment contract people, that was kind of a political side issue on the Reclamation Reform [Act]. They stayed that way. And then the Congress was *real* insistent that the commissioner not leave Washington, D.C. If the commissioner stayed in D.C., that kept another little cadre of people that would provide him some support, congressional liaison and some of the public affairs people.

A lot of rambling, but I think that kind of covered—it was a very, very tough time within Reclamation. There was a lot of hard, gut-wrenching decisions being made by top management. A lot of the actions that were taking place were career-damaging in some ways to some of the employees, and for some employees, they came out very *well*, particularly some of the people in Denver had a chance to get *great* promotions that they would not have been eligible for unless they moved back to Washington.

One of the key decisions in developing jobs was in the personnel—I can't even think of the word now—grading structure. In order to get a higher grade . . . you could *get* a higher GS grade if you had a *policy* function. Historically, the policy, for the most part, was established in Washington, D.C, and carried out by the field offices. So when you closed down the Washington office and moved your "policy people" out to the field, if the Washington people didn't move, then your field staff all of a sudden became policy people, and they were eligible for higher grade levels than they would have been prior to that time.

It was about that time that the Administrative Service Center was really getting cranked up, and there were some internal conflicts on how we would incorporate the Administrative Service Center within the overall Bureau of Reclamation organizational structure. We finally left it as kind of stand-alone unit, and I think that was a wise decision. In my estimation, it has proven out that that's what should have been done.

The Bureau of Reclamation having a *long* history of being a premier engineering organization, I think there was a *little* concern on the part of some people in the Bureau that, if the administrative side of the house got too large, it was going to dominate the engineering *part* of the Bureau, and as it

grew bigger, of course, you could support higher grades for administrative people than you could have in the past, particularly as they were providing services to other bureaus and other agencies.

". . . so all of a sudden . . . administrative people . . . were graded the same . . . as an engineer was graded, at the same GS grade level. . . ."

And so all of a sudden you were having administrative people that were graded the same way as an engineer was graded, at the same GS grade level. So, that, I think, caused a little bit of friction between the engineering side of the Bureau and the traditional part of the Bureau and the administrative people.

I always thought that you kind of owed anybody that was working for the Bureau a career path so that they could go up the line. Whether they came on board as an engineer or whether they came on board as a file clerk, or personnel officer, or something, if they assumed greater and greater duties, they should be recognized for those duties and paid a comparable amount. Even though I'm an engineer, I saw no reason why that you should hold back people that had made their career paths on the *support* side of an organization and have them have a slower career path than an engineer had. And so I *saw* no conflict, but

there were people in the Bureau that I'm sure felt there was something major going wrong with the whole organization when administrative-type people got higher grades than engineers, or as high a grade as engineers.

Storey: What about the move of people from the regions into the Denver office, specifically into the assistant commissioner for resources management, I think.

Klostermeyer: Yeah. Actually, the people from the regions moved in, I think in probably *all* of the areas. The biggest move was to the assistant commissioner for resource management. Since I was more worried about the administrative things, that was not as big a concern of mine as trying to make sure that the Bureau's administrative staff got all put together and we continued to provide the support that we needed to provide.

The concept was to provide the Bureau with one-stop shopping, in effect. During our assessment, it became apparent that the Bureau of Reclamation was not going to build any more Central Arizona Projects or big projects like that, but as we looked around, we could probably *do* the planning for a Central Arizona Project in each of our—I guess we had five regions at that time. No, we had six, because as part of the

reorganization, we eliminated one.³⁸ But anyway, we had a large amount of capacity, that in some ways duplicated itself in each of our regional offices.

Moving Staff from the Regions Permitted Reclamation to Eliminate Duplication and Maintain a Core Staff

So thought was that if you *moved* those people from the region into Denver, you could *eliminate* the duplication. You could maintain a *core* staff, because we knew there was enough work for at least some of those people across the Bureau on a continual basis, and so you could maintain a core staff, keep your best and brightest people, and then if a region had a special project, we would detail the people from the Denver office out to the region and get the job done, or do it out of the Denver office with a little bit of travel.

Why the Reorganization Did Not Work as Planned

On paper, that seemed to be a very efficient way of carrying out a engineering program. That concept was used by a lot of private sector firms. On paper, as I say, we saw no problem with

38. The Southwest Region office in Amarillo was merged with the Plains Region in Billings in 1988. The Lower Missouri Region office in Denver had previously been merged with the Upper Missouri Region in Billings to create the Plains Region.

why they should not continue that way.
In practice—

END OF SIDE 1, TAPE 1. APRIL 11, 1996.

BEGIN SIDE 2, TAPE 1. APRIL 11, 1996.

Klostermeyer: In practice, it became a problem because certain regions—and maybe in some degree, *all* the regions—didn't want to lose control of their own people, and so they *kept* staff in the regions that probably should have been transferred to Denver. And then when they got into a study, since they already had the staff there, they wanted to use them, and they didn't call upon Denver as they had originally planned to do. Most of *that* I observed just from a distance. As I say, that wasn't my area. And actually, by the time that really got to be a problem, I was *gone* from the Bureau.

The concept was good. It was a very cost-oriented way of carrying out an organization. Probably what should have happened was maybe just elimination of the regional offices to make that concept work the best. But that wasn't done. For political reasons, obviously, there's a need to stay in contact with your constituents, and you do that better if you're right there and the water users don't have to travel a *thousand* miles to meet with the people that are doing their particular study or having control of their operation.

Storey: Was it considered?

". . . we looked at eliminating a couple more regional offices, . . . getting down to maybe three. . . ."

Klostermeyer: Well, we eliminated one. Yeah, we looked at eliminating a couple more regional offices, combining them, getting down to maybe three.

Storey: What's the idea behind that? What was motivating that kind of considerations?

Klostermeyer: Cost savings to become more efficient. Of course, everybody recognized that when you have fewer offices, you have less contact with the local people. Dan Beard came in, and he saw just the opposite of what we saw in the implementation plan, and he kind of went 180 degrees the other way and gave a lot of authority and responsibilities to the area offices.

Storey: Down at the former project office level.

Klostermeyer: Yeah, the former project offices. In looking at it from the outside, in some ways he did as much damage to the regional offices as we did in the other [reorganization.] *thing*. If you give your authority to an area office, that area office manager may or *may not* feel that they have any loyalty to the regional office. Their loyalty is to the commissioner. And so the regional

offices have been, for a large part, I think kind of been made a *de facto* office of responsibility. But again, that's looking at it from the outside, not being part of the organization right now. It may be working very well.

But the thing that's *happening* is that the Bureau is now developing, even though they got rid of a lot of people, they are developing a lot of duplication at each of the area offices that the '87 and '88 plan tried to eliminate. It's one of those organization things I guess you could debate forever, and people get very rich by writing textbooks on whether you should decentralize or whether you should centralize, and you could probably find as many proponents for each [approach].

Storey: But what I think I'm hearing you say is that you see that the area offices are now hiring people that formerly might have been in the regional office or in the Denver office, is that correct?

Klostermeyer: That's the way it looks to me like. If a regional [area] manager has a responsibility to do a certain kind of work, and he or she may be more apt to *hire* a person to do it on their staff so they have control of it rather than going to Denver or to the region in order to get it done.

I'll say that, and then I bet everybody that might read this or hear me say that would deny it. But, human nature being what it is, a manager *tends* to puff up his staff, and the more managers you have, the more *puffing* you're going to have.

Storey: What other results did you see from the reorganization in '87 and '88? Or *how* did it *work*? Maybe that's the better question.

Klostermeyer: Obviously, I don't think the assistant commissioner for resource management, that organization, worked nearly as well as what everybody had hoped it would work. The regions continued to have staff that could do some of the work. They did not move as much as they could or maybe should have into Denver to give that matrix complex [the] ability to do what they *could* have done.

Of course, at the same time the engineering workload for Reclamation was *declining*. The Bureau was finishing up projects. There was not a need for quite the staff that the old assistant commissioner for engineering [and research] had. The thought was that the Bureau could become an engineering service center for the rest of the Department, and some of the other Federal agencies, like EPA [Environmental Protection Agency] and

FEMA [Federal Emergency Management Agency].

But I think what happened was that the Bureau, they did do that, and the little bit they did, I think they did a very good job. But instead of using the staff—now again, I'm looking at it from the outside, because I was *gone* when some of this was taking place. But in my estimation, instead of using the staff that they had on board and retraining them to do this other work, they brought in new people, and so they continue to have in the engineering side of the house a cadre of people that *really* did not have enough work for them to do. The regions were not *giving* them enough. There wasn't enough work on the books in order to carry it out.

At the *time* of the reorganization, I don't remember the numbers exactly, but at that time the Engineering [and Research] Center, the Assistant Commissioner for Engineering and Research *probably* was 200 to 250 people over the *ideal* ceiling, as we *saw* it. The assistant commissioner for resource management was probably that much *below* what we saw as a ideal situation. The administrative side of the house was about right. I kind of got caught in the middle, and I made the adjustments it took to get to whatever administrative ceiling they felt needed to be. I had a lot of good people that worked real hard to

trim down their organizations to meet the ceilings that were established for the administrative side of the house.

After that reorganization took place, it appeared me to me—again, looking in rather than being a part of the organization—that the assistant commissioner for resource management was able to staff up a little bit, although the regions were not giving them the kind of work that had been anticipated that they would get. But the assistant commissioner for engineering [and research]—I think they changed the name. I don't know what they call them. I don't think *they* went down any. In fact, they *probably* went up, because they were adding people to do some of these new jobs that were coming on board, like the work with EPA and some outside agencies. That may not be *quite* accurate, but I think that's pretty close to what was happening.

So when they had the latest big cut out in Denver, as I understand, most of the cuts came on the engineering side of the house. It *really* was cuts that probably should have been made back in '88, '89, in that area, and it was just a case of not having the work. You can't keep *dam* designers on board if you don't have a *dam* for them to design, or pipeline people to designs pipelines if you don't have *pipelines* for them to design, or if you have kept people out in the field that

can design pipelines and you let them do it instead of giving the work to your group in Denver.

Storey: Dale Duvall³⁹ was commissioner at the time *Assessment '87* was going on and the reorganization was taking place. How did he affect the reorganization?

Dale Duvall

Klostermeyer: I don't think Dale was necessarily a major player one way or the other in the reorganization. He was just one of the Permanent Management Committee, and in effect, even though he was commissioner, he did not have veto right over the Management Committee. Maybe he *should have*, but he didn't. We were trying to put a report out by consensus, and some of Dale's objections were overridden, just like probably objections by everybody on the group.

". . . in the assessment report, everybody on the Management Committee *didn't like* something . . ."

I would suspect that what we came up with in the assessment report, everybody on the Management Committee *didn't like* something about it, so in some ways that was probably a good report. I don't think there was any

39. Reclamation has done oral history with Commissioner Dale Duvall.

clear winners. I don't think there was any clear losers.

Storey: Somebody told me, I've forgotten who, that Jim Ziglar was running Reclamation at that time rather than Dale Duvall. How would you respond to that suggestion?

Klostermeyer: Well, since both Jim and Dale are good personal friends of mine, I don't want to—

Storey: You don't want to respond? (laughter)

Klostermeyer: Well, I can respond. I don't [believe] Ziglar was running the Bureau any more than any other assistant [secretary] ~~commissioner~~ that *wanted* to ran the Bureau. Now, in my years back in D.C., there's been assistant secretaries that did *not* run the Bureau. I suspect, although I was only back here a year or so when [Floyd] Dominy was Commissioner, but the assistant secretaries over Dominy *did not* run the Bureau of Reclamation. Some of the other assistant secretaries did not run the Bureau of Reclamation. But other assistant secretaries had a major input into the direction that the Bureau went, and I think that's the way I would classify Ziglar.

Bob Broadbent and Dale Duvall

Dale Duvall, I thought, was a good commissioner, but he was not a engineer, so there was a lot of people in

the Bureau that did not accept that, although his predecessor once removed, Bob Broadbent, was not an engineer, either. But Bob was a very strong political person, and so what he made up by not being engineer, he gained some respect from people in the Bureau because he got things done through the *political* side of the organization.

Bob Olson

Between Bob Broadbent and Duvall, we had Bob Olson, who was a longtime Bureau/WAPA⁴⁰ person, and I think Bob Olson had a lot of respect from the people within the organization. But the commissioner's job had been, by that time, made a political job, and I don't think Bob had the political support to get through a Congressional nomination process, which was established during the Broadbent term by the Reclamation Act of 1982, I think.

Jim Ziglar

And then Dale, he had some good political ties, but they were good ties in the White House, but he was not the same kind of political *person* that Broadbent had been. I think that just made a difference. Ziglar was maybe a little more of a political type than what Dale was.

40. Western Area Power Administration.

But I think during that period of time with Duvall being Commissioner and Ziglar being the [Assistant Secretary,] ~~Assistant Commissioner~~, the Bureau was doing some pretty good things, pretty neat things, I think, one of which obviously in some ways was the *Assessment of '87*.

Storey: You said Ziglar was the assistant commissioner.

Klostermeyer: I meant assistant secretary.

Storey: Assistant secretary, okay. What about Cliff Barrett, who was Acting between Olson and Duvall?

Cliff Barrett

Klostermeyer: I think Cliff was acting before Broadbent came on board. I think when Broadbent was on board, he moved out to—

Storey: He was in Salt Lake as the Regional Director.

Klostermeyer: Yeah.

Storey: What about Keith Higginson as commissioner?

Keith Higginson

Klostermeyer: Keith had the advantage of coming in, much like the current commissioner, as an expert in water. He was an engineer,

state engineer from Idaho, knew about water.

Jimmy Carter's Hit List

He was unfortunate, I think, in being in the administration that he was in, because that was the Carter Administration and, of course, they came out with the hit list and Keith got tackled by that right away.

Keith, whereas he was a great engineer and I think added a lot to the Bureau from the water side, he did come to the Bureau with very little management experience. Even though he was a state engineer, he had a staff of, I don't know, thirty people or forty people, and coming into an organization of 8,000 people, I think that was kind of overwhelming at the beginning. *That*, and then shortly after he came on board, Carter came out with a hit list for the Corps and the Bureau projects. And so I don't think Keith really had a chance to really truly recover from what was taking place at that time.

Storey: Of course, one of the things that he had to deal with was the aftermath of the failure at Teton Dam. Do you remember where you were when you heard about the failure at Teton?

Failure of Teton Dam

Klostermeyer: Yeah. I was at home. It was on a Saturday. I was, I don't know, maybe working in my yard or something, and I got a call from a guy at church, that I knew through church, that worked for the Forest Service, Assistant Chief of the Forest Service or something like that, and he said, "Bill, is Teton Dam one of your guys' dams?"

I said, "Yeah." I was in the budget area at the time. I said, "Yeah. Why?"

He said, "It just failed, and it's causing some major damage to some of the Forest Service people up in Rexburg and other areas in Idaho."

So that's where I was. I do remember it very distinctly. That was one of the deals. He wanted to know some additional information about the size of the dam and what have you, and I fortunately had my budget documents at home and I brought him up to date so he could do whatever he had to do with his Forest Service people.

Storey: Did you do anything else?

Klostermeyer: No. Well, other than we had, obviously, a major budget requirement to seek funds to take care of the damage at Teton. But as far as going out in the field or anything, I did not.

- Storey:** Did you go into the office?
- Klostermeyer:** Oh, that day?
- Storey:** Yeah.
- Klostermeyer:** Yeah, I think I did go down to the office that afternoon. Of course, most of that activity was centered out in the region.
- Storey:** How did people in Washington in Reclamation react?
- Klostermeyer:** With disbelief that something like that could ever happen.
- Storey:** What was it like in the office that afternoon?
- Klostermeyer:** All we could do is carry on a conversation with the region by *phone*. I guess it's the same reaction you get with any tragedy, people talking around, trying to second-guess what happened and why it happened and making some plans to go to the next step and take care of the problem. We knew we had to get out there, or somebody in the Bureau had to get out there and *clean* the mess up.
- Storey:** Back to '87, '88. Why did everybody think Reclamation needed to change direction? What were the issues?

"I think everybody *knew we were* changing direction. . . ."

Klostermeyer: I don't think there was anybody that thought we needed to change direction. I think everybody *knew* we *were* changing direction. It didn't take a genius to take a look at the Bureau of Reclamation's program and see that we did *not* have any major new projects coming down the line. We had projects that we ought to be finishing up, and we had a little bit of backlog, but we weren't moving *ahead* on some of those things as fast as we should. So I think it was just a recognition that we really ought to become more efficient and become a better managed organization.

". . . it's where you're sitting and how you're looking at something that determines what you can or can't do. . . ."

I don't *think* that in '87 or '88 we were saying, the people that were working on the *Assessment* were saying anything different than what Dan Beard said two or three years ago when he came in and said the Bureau ought to become the *water* managers of the West. I truly think we said the same thing, maybe in different words. I remember Beard himself saying, "You guys don't have authority to do what you're doing," and yet we were doing the same—we all *felt* we did have authority to do what we were doing. Beard came in and he did the same thing that we tried to do, without any different authority, which just shows to me, it's where you're sitting and how

you're looking at something that determines what you can or can't do.

I think that reorganization might have gone a little smoother had we gone up to Congress with a package, a legislative package of things, even though we did not need authority to do some of the things that we were doing, even though we did not [need] any authority to do some of the things that they were proposing, some of the new ideas and different directions that they thought the Bureau ought to be going in, like privatization, some of those areas.

Storey: Might have been more diplomatic, is that what I'm hearing?

Klostermeyer: If we had gone up with a legislative package and said, "Okay, here's the legislative *needs* that we have in order to carry these out." Even though we felt we did not need that, it would have probably gone a little bit better.

Things that the Bureau is doing right now, the privatization, turning over the projects to the water users, those are some of the same things that were proposed in '88, and they're being done now. I think, in all, the study was a good recognition of ~~where~~ the direction that the Bureau was going, or should be going. It just probably wasn't executed as well as it could have been, which is

easy to say when you look back seven years.

Storey: You mentioned earlier that there was a *lack* of perception of need for the Washington, D.C., office. Did you agree with that, and what were the needs for the Washington, D.C., office?

Reviews in the Denver Office and the Washington Office Were Undertaken from Two Distinct Perspectives

Klostermeyer: First, I didn't agree with that. I do agree that there was probably, from a *regional* standpoint, they could see a lot of duplication of effort between the Denver office and the Washington office, and in some areas, maybe there was. I don't think it was nearly as serious as people thought.

If a region, for instance, sent a report through the process, it would go Denver, and the Denver people would review it. It would come into Washington, and some of the Washington staff would review it. They saw that—

END OF SIDE 2, TAPE 1. APRIL 11, 1996.

BEGIN SIDE 1, TAPE 2. APRIL 11, 1996

Storey: This is tape two of an interview by Brit Storey with William C. Klostermeyer on April 11, 1996.

So they were looking at it from two different perspectives.

Klostermeyer: Yeah, I always thought they looked at it from two different perspectives, and I don't think that necessarily would ever change, because the people in Washington had maybe a little more insight into what the departmental and the President's policies were, what was feasible from a political standpoint. And so some of these delays that the regions saw and were [attributing] ~~contributing~~ to lack of action by Washington was really not the lack of action from Washington, but it was just a recognition by Washington staff that there's no sense in getting all charged up to move something forward if it wasn't going to get through the Department, or through OMB, or through Congress.

". . . from the standpoint of the people in the field, that was interpreted as lack of action on the part of the Washington staff. . . ."

Maybe you would have a secretary or assistant secretary that just did *not want* something to move from a political standpoint, and he or she was not ever going to put that in writing, and so it was very supportive of them to have somebody in Washington pigeonhole something. But from the standpoint of the people in the field, that was interpreted as lack of action on the part of the Washington staff.

Downsizing Lost Reclamation Interaction with Other Bureaus in Interior

The thing that I saw that was *lost* by the downsizing of Washington was the interface that had been taking place between other bureaus within Interior and the Bureau of Reclamation and the contribution that the Bureau of Reclamation made to the overall policy of the Department.

Reclamation Lost Out on Influencing Departmental Decisions and Policies

Without having, for instance, any major presence in the personnel arena in the Department in Washington, the Bureau no longer was in that position of at least being on the horse, that I talked about yesterday, I guess. They were just standing out and watching the horse[s] go whatever way they wanted to, and they had no way of controlling it. And that was true with probably every administrative activity that moved away from D.C., whether it was procurement. .

The Bureau was in the process at the time of the movement out to Denver of developing a automated procurement program to accelerate the contract mechanism of awarding contracts and tracking contracts and *buying* whatever the Bureau need to buy, to procure whatever the Bureau needed to procure.

At *about* the same time, the Department wanted to start a similar kind of thing with the computers. Everybody was trying to get into the game of having some kind of automated system. The Bureau had, in my estimation, a very good one underway, and we were implementing it bureauwide at the time of the reorganization. But because they moved all the procurement people out of Washington, D.C., they did not have sufficient strength in Washington to overcome the Department starting their own and *duplicating* what the Bureau had already done.

Those are just some of the kind of things that I see where the Bureau kind of lost out on, or the taxpayer lost out on. I mean, developing an automated program is not an inexpensive thing to do, and the government can spend hundreds of thousands of dollars, millions of dollars in some cases, to develop some kind of computer program to support different functions, and if you have all the different agencies doing that, you'd just spend a lot of money.

With the Bureau not having a major presence in D.C., I think they lost out on a lot of things like that. Like I say, I was *gone* shortly after that reorganization took place, so I didn't have to really worry about it.

Storey: Sitting where you were in Washington, how did you see the relationships between the Washington office, the Denver office, the regional offices, the project offices, and the tensions, if there were any tensions? What were the issues there? How did that play?

Klostermeyer: I think, being on top, I guess I could say facetiously that there wasn't any problems, because what we said needed to get done, people would do it.

I recognize that there was primarily this issue of duplication was a big concern all the way up and down the line. I had worked through that whole process. My career started in the field office, so I had looked up through that hierarchy, which at the time I started was probably even *greater* than it was thirty years later, and I don't think it's been eliminated now.

I'm *sure* that the regional directors are extremely frustrated in some cases by the actions and activities that have taken place in the area offices, their lack of control over the area managers. They still have some sort of responsibility for those area offices. I'm not sure what. But there's still a Denver office that they're supposed to draw upon for support. The area offices, I think, have to get some kind of review from the regions. I don't think they can go off and do everything by themselves.

Anytime you have a bunch of people, you're going to have some conflicts. I really, truly think we had a fairly good relationship between the Washington office key people and the regional offices, and Denver being in there, other than the fact we did recognize that there was a duplication of effort and that's what we were trying to eliminate in the '87 assessment.

Storey: Yeah.

RRA, you mentioned earlier that there was a lot of controversy around that, in the staff especially and where they should be. Could you talk about RRA and what you were seeing sitting in Washington and, of course, I *gather* not *directly* involved in the process.

Reclamation Reform Act (RRA)

Klostermeyer: Yeah. I was not involved in the process *at all*, which was something I was very thankful for. It was, and I think still is, a lawyer's nightmare or a lawyer's college fund, I'm not sure which.

When the '82 act⁴¹ was passed, I don't think Congress really knew what kind of impact that act would have on the Bureau of Reclamation's water users. I don't think the Bureau had any idea what

41. Reclamation Reform Act of 1982 (96 Stat. 1263; 43 U.S.C. §390aa).

kind of impact it would have. They started holding public hearings. And I don't think the water users had any idea what kind of impact it would have. And so it just became one of those things that just kind of grew like topsy. Different factions developed within the structure.

"Congress kind of thought that the Bureau, and maybe rightly so, had too close of a interface with their water users. . . ."

Congress kind of thought that the Bureau, and maybe rightly so, had too close of a interface with their water users. They were in bed, so to speak, with the water users and gave them the benefit of the doubt all the time. That may be true in part, but I think the Bureau people thought that that was really what they were supposed to be doing. Congress had instituted a program to get inexpensive water to the West, and the Bureau of Reclamation kind of traditionally felt that that's what they were doing, and had done a fairly good job at it.

There were some people in the Bureau, I think, that felt more like the congressional delegation did and that there was too many people getting a free ride, and obviously there were some things that were happening that maybe shouldn't have been. The people were taking advantage of the law, and that should have been tamed down. But I think the whole process was just so

complex, and nobody really understood it completely. It's been nothing but just a—for the last twelve years, it's been just muddled around. There's new rules and regulations, I think, being proposed right now, twelve years after, or fourteen years, I guess, after the law had been passed. That just shows how complex an issue it was, and anytime you have anything that complex, you're going to have a *lot* of differences of opinion. People have their pride and ego that they feel they have to protect and that they're right and everybody else is wrong.

Storey: Was that going on, then, at this time?

Klostermeyer: Yeah, there was some of that going on. So that was one reason that I was very glad that I had other things to occupy my mind.

Storey: What was the discussion about whether it should be in Denver or Washington? Do you recall, by chance?

Klostermeyer: The thought process was, I think—I'm not really sure. But I think there was a group that said, "Well, look, we'll keep it out in Denver, but if you, Congress, don't like the way we're doing it, then we'll move it into Washington and put it directly underneath the commissioner so he can watch it closer."

So in saying that, then that meant that we were moving a whole staff from

Denver into D.C., and where on paper maybe that made sense, the people in Denver sure as heck didn't want to go from Denver to D.C., so they raised some other objections. Some people had, I think, real tight contacts with congressional committees that had oversight of the Bureau, and anytime you propose something, the committee knew about it before people in Washington knew about it, so that kind of got stopped.

Storey: Well, why did you decide to leave Reclamation?

Decision to Leave Reclamation

Klostermeyer: I had a great career, and we had reached a point, *I'd* reached a point where I'd spent eight years as assistant commissioner, which was a great job. A new administration had just come in. President [George H. W.] Bush had asked for resignations of all of the political appointees, so that meant Dale Duvall was leaving, and so a new commissioner was going to be coming on board. Secretary [of the Interior Manuel] Lujan came down from the Hill and brought down a group of people that had worked with *him* on the Hill staff, and it appeared that the way they were structuring the Department, these people were going to have a major say over what was taking place as opposed to people that were in the organization that had some background of the organization. And

Congress was messing around with pay raises for SES grades and had turned down a major pay raise the year before I left and then was looking at it again and turned it down the year I left.

Asked by Bookman-Edmonston to Run Its Washington Office

And then I was approached by Bookman-Edmonston and asked to come and run their Washington office. The BE man that had *started* the Washington office was Morris Langley, the guy that hired me to come back to Washington in the first place. It just looked like a *good* opportunity to go out feeling good about what I did in thirty-three years, thirty-two years with the Bureau and look at something new. I was able to get a discontinued service retirement and left.

Storey: Okay. *Well*, is there anything that we should talk about that I haven't managed to talk about, or anything that you *want* to talk about?

Closing Thoughts and Comments

Klostermeyer: No, I think we covered a lot of things. There's probably a lot of things that I overlooked. I had a very *long* and, I think, fairly distinguished career with the Bureau. When I left, I was proud of the Bureau. I'm still *proud* of the Bureau. I think they've made a major contribution to the West. I was privileged while I was

with the Bureau to work with a lot of great people, and without their support I wouldn't have been able to accomplish anything nearly what I accomplished, if somebody looks back and says, "Well, Klostermeyer accomplished something," I don't know.

Storey: Was there any one project or activity or anything that you would consider sort of your best thing at Reclamation? And the converse of that is, is there anything that's your *worst* thing?

Klostermeyer: You could probably find a whole list of people that would say Klostermeyer messed up on a lot of issues, and that may very well be true.

Creation of PABS

I think if I was looking back at anything that I—there's a couple things that I would look back on and take some pride in in playing a role, not that I *did* it, but because of my position I was able to make it happen, and that was the development of the first program budget system in the Bureau, PABS.⁴² Tim Dietrich was really the brains behind *how* you do all the *stuff* with the computer and pull it all together. But there was a lot of opposition in carrying that out, because it was a lot of extra work in the beginning. That system got put in place. It's been,

42. Program and Budget System.

obviously, modified over the years, but it's still being used. So I feel a lot of fatherly pride, if you would, on helping get that started.

Creation of the Administrative Service Center

And then the Administrative Service Center. It was because of *my* support and the working relationship that I had with key people in the Secretary's office that we were able to carry that off. Lee Golkee [phonetic] was the first director of the Administrative Service Center, and he was really the brains behind getting the thing moving. He was a very aggressive individual, *stepped* on a lot of *toes*, but he was able to get a lot of things done. He put together a great staff of people, and we got something that was really unique within the Department of Interior, but really within the government, up and started a administrative support system that reduced costs to other agencies, reduced costs to the taxpayers, and was having a unit of government run like a business.

The Service Center, I think, probably now is completely self-supporting. People that use it, pay for it. Bureaus that get checks out of it pay for it. And so there's not any other appropriations required to keep the Service Center going. That caused a lot of conflicts at the time it was being put together, and again, a lot of personnel

issues came in that I guess if we could all look back, we would hope that they would not happen, but those kind of things do happen.

The first project I worked on in Planning out in Nebraska finally got built.

Storey: That was?

North Loup Project and Calamus Dam

Klostermeyer: The North Loup Project. My first survey job was on the dam, Calamus Dam, the first summer I was a student trainee with the Bureau, and I was able to work with the appropriation committees to get construction money to finally finish that up. So in some ways I saw that thing from beginning to end.

You could probably talk forever. As you mention one thing, other things come to mind. But I think probably in all, those were some of the, two or three, *key* things that stick in my mind right now that I really enjoyed, and, of course, a lot of them took place in the last part of my government experience. I guess that's it.

Storey: Good. Well, I really appreciate it. I'd like to ask you whether or not you're willing for information on these tapes and the resulting transcripts to be used by researchers.

Klostermeyer: Yes.

Storey: Good. Thank you very much.

END SIDE , TAPE . APRIL 11, 1996.
END OF INTERVIEWS CONDUCTED BY BRIT
STOREY.
BEGIN SIDE 1, TAPE 1. NOVEMBER 8, 1995.
INTERVIEW BY DONALD B. SENEY.

Newlands Project Interview by Donald B. Seney

Seney: Today is November 8, 1995. My name is Donald Seney. I'm with Mr. William C. Klostermeyer in his office in Washington, D.C.

Good morning, Bill.

Klostermeyer: Good morning.

Seney: Why don't you just go ahead and give me a little bit of your background as you were before the tape was on, and we'll start to talk after that about the Newlands Project.

Klostermeyer: Okay. I've been in the Washington office. I was in the Washington office of the Bureau of Reclamation beginning about 1968. The last eight years that I was with Reclamation, I was assistant commissioner for administration.

First Assignment in Bookman-Edmonston Was to Interview Washington, D.C., Government Staff Involved in the Settlement Act to

Bureau of Reclamation History Program

Determine Their Perspectives on the Truckee-Carson Irrigation District (TCID) in Relation to the Act

I've been with Bookman-Edmonston now for about six and a half years. When I first started with Bookman-Edmonston was shortly after or about the time that the Settlement Act⁴³ was passed, and one of my first assignments with Bookman-Edmonston was to interview the different people in the Washington, D.C., area relative to how they felt about what happened during the settlement, particularly with a focus on the Truckee-Carson Irrigation District (TCID).

During Negotiations the Irrigation District Dropped out of the Process

During the negotiations for the Settlement Act, the Irrigation District kind of dropped out of the process, so the district kind of felt like they were maybe forced out of the process, because no one was listening to some of the things that they were saying. During the interview process, we talked with different people in Reclamation and Department of Interior and up on the Hill, relative to how they felt the process went.

43. The Fallon Paiute Shoshone Indian Tribes Water rights Settlement Act of 1990; Truckee-Carson-Pyramid Lake Water Rights Settlement Act of November 16, 1990, Public Law 101.618, 104 Stat. 3289.

Seney: Who had hired Bookman-Edmonston to do this?

Klostermeyer: The district.

Seney: The district had?

Klostermeyer: Yes.

Seney: What were their objectives? Why at this stage did they hire you to go through this process?

**TCID Wanted to See How They Were Perceived
and Find a Way Back into the Process**

Klostermeyer: Well, they, I think, were feeling like they maybe came out on the short end of the settlement and were wanting to see just how people perceived them, so it was, I think, kind of the logical thing to hire somebody to get maybe a third-party opinion.

Seney: Who did you talk to? Could you tell me who you interviewed? I'm sure you must have talked to Bill Bettenberg over at Interior.

Klostermeyer: Yes, I talked with Bettenberg, talked with some of the people on—Bill Condit, who was with Congresswoman—

Seney: [Barbara] Vucanovich (R, Nevada).

Klostermeyer: Vucanovich. And we talked with—

Seney: Tom Jensen?

Klostermeyer: Let's see. *Yeah*, I think we talked a little bit with *Tom*. We talked with some people on Senator [Harry M.] Reid's staff.

Seney: Wayne Mehl?

Klostermeyer: Yeah, it was Wayne, Wayne Mehl. I don't remember who in Reclamation we talked with, but we talked with a couple of people over in Reclamation.

Seney: What did you discuss?

Klostermeyer: Bill Sinclair, with the Department, who had been doing some of the work on that. He'd worked with Bettenberg in the Department.

Most People Interviewed Felt TCID's Non-Involvement Injured Them in the Settlement Act

Basically the conclusion that we reached and we shared, we did the interviews and then we went out with the district and shared with the board what our findings were, and basically most of the people that we talked with agreed that maybe the district got the short end of the stick, but they also, most of them, I think, agreed that that was because the people that were doing the negotiations and writing the final document maybe were a little disgusted—maybe "disgusted" isn't quite the word, but it could have been close—with the district and their lack of cooperation. So they just kind of gave up.

With the district not being there, they figured they'd do whatever they *thought* was best and move ahead with the settlement.

Seney: It seems odd to me, and perhaps because I don't know enough about what Bookman-Edmonston does. I assume it's an engineering firm. That's what I always see on your letterhead.

Klostermeyer: Yeah.

Seney: And I have read some of your reports that relate to matters on the Newlands Project, not this specific one. So it seems odd to me to hire an engineering firm to kind of pick through the political debris, if you will, to see what the problems are. Does that seem odd to you?

Is this sort of study normal for Bookman-Edmonston?

Klostermeyer: No.

Seney: Or is this something Bookman-Edmonston does?

Klostermeyer: This is something we do on a fairly regular basis. Mike Clinton, who was vice-president of BE [Bookman-Edmonston] at that time, had formerly been with Interior and was in charge of Indian negotiations, so Mike had a broad background in Indian water rights settlements. Because of my past experience with the Bureau back here,

it made some sense to hire us. We understood water, we understood the district, and with Mike's understanding of water rights settlement, we were a logical group to work on it. Probably as good as anybody else, because we had the engineering background as well as relationship with the Indian tribes.

Seney: And knowledge of the bureaucracy and the Congress and so forth.

Klostermeyer: That's right.

Seney: What conclusions did you come to besides the—could you be a little more maybe detailed about what you presented to the district in terms of how they came out? I think there's no question that Public Law 101-618 does not work to the advantage of the Truckee-Carson Irrigation District.

Klostermeyer: No. Well, in meeting with the board, we let them know, probably the obvious, that most people were a little disgusted with what had happened, and a little disappointed. That's probably a better word than "disgusted." A little disappointed with the fact the district kind of pulled back into the shell and did not actively negotiate with all the other parties.

Seney: Let me interject something at this point. Maybe you know about this, and maybe you don't. Maybe it came up when you talked with them at this point; maybe it didn't. When they withdrew from the

negotiations in 1988, there are those who feel that they withdrew from them because they didn't think the negotiations were going to go anywhere, that *no* legislation was going to *come out* of this process, and since it didn't look to them as though what they wanted would be in there, they didn't see any risk in leaving the process. Do you understand that to have been the case?

TCID May Have Thought Negotiations Would Go Nowhere

Klostermeyer: Yes, I understand that that *might* have been part of the case.

TCID Felt They Had Done a Lot of Positive Things and Their Accomplishments Were Being Ignored

I think maybe even more important, though, is that they felt, at least some of the people on the board, felt that they had introduced a *whole lot* of positive things into the negotiation process, and even though they introduced these things, they were being ignored.

Seney: Do you remember what they referred to when they talked about the project?

TCID Felt it Had Taken a Lot of Steps Before the Negotiations Began and Those Prior Steps Were Not Recognized

Klostermeyer: No, to tell you the truth, I can't. I don't remember the details. But the board was

very *strong* about the fact that they felt that they had taken a *lot* of initial steps, and apparently some of the things that were finally in the settlement were things that the district had originally suggested, and then they failed to get any credit for suggesting those kind of things. It was kind of a negotiation where I think—and I may be putting words in some people's mouths, but they felt that they had given up a lot and had moved from Point A to Point B, heading towards Point C. The other parties got involved and they looked at Point B as the starting point instead of Point A as being the starting point, and the district did not get credit for going from A to B, then were being criticized for not going from B to C, even though the other party might have been starting at C.

Seney: Did you get a sense that when you had gone around and talked to the participants here in Washington on negotiations, people on Senator Reid's staff, especially Wayne Mehl, then go out and talk to the people in the district, that you were almost talking about two different negotiations, that their views of what had gone on were so different?

The Negotiators Felt They Had Protected TCID as Best They Could, Though Not to the Extent TCID Would Have Liked

Klostermeyer: No, I don't think there was that much difference. I think Wayne recognized where the district was coming from and the

district recognized where the senator and his staff were coming from. There were some differences, obviously. I pointed out earlier the fact that the district did feel that a lot of the things that were introduced in the settlement were things that they initiated and things that they gave up.

Wayne Mehl and others, Bill Condit, indicated that they fully understood where the district was, and were willing to, if needed, open up some other legislation to help the district out. But they also recognized that the legislation had moved along, and they had reached closure with the Indians and the environmentalists and all the other parties, and they thought they had kind of protected the district, *not* as much as the district wanted, but at least in part, taking care of the district's needs, but recognized that there was a lot of things the district probably wanted that was not included in the original.

Seney: You know, there's a gulf of understanding between the district and the other participants in terms of when the district *withdrew* from the negotiations. I've heard it described in a number of ways. Usually there's one version that comes from the district and another version that comes from nearly everyone else.

The version from the district is they were essentially thrown out of the negotiations, and the version that comes from the other participants is that they

voluntarily withdrew and said, "Go ahead. Make an agreement if you can, but we're not interested in pursuing it." Did that come up in your interviews how this process had gone on or *what* had gone on to precipitate the district *not* participating any longer?

Klostermeyer: I can't say that that particular thing came up. Of course, we were interviewing primarily the people that were on the other side rather than interviewing the district. Most of the people *we* interviewed indicated that they just dropped out, other than the fact that when we met with the board, the board, "Well, gee, we were doing all these things and our positions weren't being recognized or the changes that we were making had not been recognized." Of course, the district was a little upset with the Bureau of Reclamation in some of the things that were coming from the Bureau from the OCAP [Operating Criteria and Procedures] and some of those other issues that were under-way.

Seney: What was the purpose of the study that you did? What was the district intending to do with it?

TCID Was Trying to Figure Out How to Implement the Settlement Act

Klostermeyer: I think the district just kind of wanted to get a feel for the attitude back here in Washington. They recognized that the

Settlement Act had been passed. There was a need for them to work themselves back into the implementation of the Settlement Act. Mike Clinton was working pretty closely with the district and some of our California people were working with the district on implementation of some of the things that the district had to do, the water efficiency studies and that type of thing. It just seemed like the thing that they ought to do is find out really *where* they were in the scheme of things.

Seney: You didn't obviously undertake to kind of analyze what they had done and say, "Gee, you ought to handle things differently." What did you recommend to them as a result of this study?

"We actually made no direct recommendation. At the conclusion of our study, we just kind of *reported* our findings . . ."

Klostermeyer: We actually made no direct recommendation. At the conclusion of our study, we just kind of *reported* our findings, and then the next step was for the district to try and get everybody together and marching along the same step and maybe start mending some of the fences that were cut during the negotiations.

Seney: I'm kind of wondering why the district would have you do this study. What do you think their objective was here?

Klostermeyer: Well, I think the objective was, they wanted to move forward with the implementation. I mean, the law had been passed and they had certain things that they were being forced to do. They wanted to move ahead with the implementation of that act, but at the same time they wanted to see what kind of footing they were *on*.

"They did feel . . . they got shorted in certain areas, and they were . . . wanting to find out why that happened . . ."

They did feel, obviously, that they got shorted in certain areas, and they were kind of wanting to find out why that happened, because as I indicated earlier, they felt that they had—at least began negotiations in good faith and they weren't sure that the negotiations continued to be carried out in good faith on the [part of the] other parties. Then I think they were trying to get a feel for where they would go next.

Seney: In your long career with the Bureau, this was your first dealings with the Newlands Project, am I right about that?

Klostermeyer: Well, not—yeah, probably directly.

Seney: You knew some about the project.

Klostermeyer: Sure. I knew about the people and had met—my last twelve years or so with the Bureau, I was involved in the budget process, first as budget director and then as assistant commissioner for administration,

and so I had met with the Newlands people off and on for a number of years.

Seney: The TCID people.

Klostermeyer: Yeah, TCID people, and for a number of years on various issues—the budget issues, some of the OCAP things would come up in those discussions, the threat for the Bureau to take over the district.

Issues for Reclamation in Taking over Operation of the Newlands Project

Seney: Did you work on the actual numbers at any time for what would be required if the Bureau were to take over the district?

Klostermeyer: I didn't work on them directly, but I reviewed some of the stuff that the region had put together.

Seney: The people out in the district have told me that this they don't regard as a credible threat that the Bureau will take over the district. As we both know, they have not been operating with a regular contract for some time. It's been since 1976, maybe.

Klostermeyer: Yeah, well—

Seney: '83 was when the court said that was valid.

Klostermeyer: Yeah, it's been a long time.

Seney: Long, and there are new negotiations going on over a new O&M contract now. But the

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people in the district have seemed to suggest to me that, even with a sort of litany of numbers, that it wouldn't really be possible for the Bureau to operate the project directly themselves. Are they lingering under a false assumption?

Klostermeyer: I don't think so, and particularly in the present mental attitude of the Bureau relative to the operation of projects and the downsizing of the Bureau of Reclamation and those kind of things, I don't see any way that the Bureau can go in there and operate. The Bureau of Reclamation really doesn't operate *any* project. I don't think they have the expertise to go in and get into the day-to-day operation of a project. Every project that the Bureau of Reclamation has constructed in recent years, they turned over the operation of that project to the district, but to the local people, even before the project construction was finished. So the Bureau could make a lot of threats, but I don't see that they, personally, as an agency, have any of the expertise that would allow them to go in and do the on-the-ground operation of an irrigation project.

Seney: If you could separate out, sort of draw a line between when you began this project for Bookman-Edmonston of evaluating what the status of the project was now, what sort of preconceptions or knowledge base did you bring to this about the project? What was your general view of the Newlands Project and the issues and the

problems out there that you *had* already when you started looking at [Public Law] 101-618 for them?

Klostermeyer: Of course, you recognize it was one of the Bureau's oldest projects. Derby Dam was contract number one for the Bureau of Reclamation, and so I've known that. I've recognized that. In fact, when I first moved back to Washington, D.C., I was in the Planning Division.

Marble Bluff Dam and Senator Alan Bible

That was when Marble Bluff Dam was under study, and that was being pushed by the Bureau and Senator [Alan] Bible [Democrat of Nevada] and others as *the* most important environmental project the Bureau ever built in order to take care of—Fish and Wildlife thought that was really an important thing, to take care of the endangered fish and what have you.

In my job position at that time, I was active in helping get money and funding for Marble Bluff Dam. So my background in the project was really more of trying to get funds to carry out different aspects, also recognized the problems of the diversion of the water from the Truckee and the relationship to Pyramid Lake and those kind of things.

**Came to the Bookman-Edmonston Study
"recognizing that they had a [water use]**

efficiency problem, they had some other just general financial problems . . ."

I'd been out to the project a couple times, primarily when they were, I guess, during the reconstruction of the Lahontan Dam spillway and the penstock. I got involved with some of the safety issues on that. When I was assistant commissioner, safety was one of my responsibilities. So, I had just general knowledge of the project and recognizing that they had a [water use] efficiency problem, they had some other just general financial problems, but I had no preconceived ideas one way or the other.

Seney: Once the project that you worked on, this immediate one for Bookman-Edmonston, was over, have you done anything else for the Newlands Project?

Klostermeyer: Not personally. Mike Clinton was involved as a facilitator in some of the recent negotiations, and Herb Gradonis [phonetic] and some of our other people in the Sacramento office had been doing some work.

Seney: Your firm actually has a number of irons in the fire. You do some work for the Fallon Tribe, some work for the Pyramid Lake Tribe. There isn't any problem with that, doing one or the other?

Klostermeyer: As long as all the clients know what we're doing, it's not a big deal.

Seney: There's no, obviously, a problem. And they *will* know that.

Klostermeyer: Sure. Sure. As a firm, we try and make sure that when we're working on something that there may be two sides to the question, that all the parties know that we're involved, particularly if we're accepting funds from both parties, or more than one party. In a lot of ways, that makes a lot of sense. If you're working on some engineering data, hydrology or model studies or what have you, if you have the confidence of both parties, it's probably just as easy and obviously a lot less expensive if both parties share in the development of that basic data, and Bookman-Edmonston has a high reputation among people in the West relative to our abilities to do model studies and hydrology and other engineering work.

Seney: Is it a fairly large firm?

Bookman-Edmonston

Klostermeyer: No, it's not. We have about seventy professionals in Bookman-Edmonston. We're a subsidiary of RMI, Resource Management International, also out of Sacramento. RMI has about 300 people, and our talents move back and forth across the firm's lines.

Seney: So you might work for RMI on some things and for Bookman-Edmonston on some things.

Klostermeyer: And RMI people will do the same thing.

Seney: I see. The firm's expertise is in western water, so you do a lot of work in western water.

Klostermeyer: Yeah, we do a lot of work in western water. The firm established a little better than thirty-five years ago by Mac Bookman and Robert Edmonston, both of whom were with California Department of Water Resources, working on a state water plan, and *left* the state, and formed the consulting firm, and have been involved in water issues ever since, primarily in California, but we design and build about a third, maybe a little more than a third, of the distribution system on the Central Arizona Project and we have the lead in construction of the irrigation drainage system on the Central Utah Project. So we've been actively involved in water development.

Seney: How did you come to work for Bookman-Edmonston?

Klostermeyer: They've had a office in the Washington, D.C., area for about twenty-five years now, maybe a little longer, to provide liaison between our clients in the West and the administration and Congress. It's been a one-person office. Mike Clinton, when he left the Department of Interior, came over and worked for BE. They were in the process of trying to get him to move out to California, and they needed somebody to take the job. I was at a point where it

maybe made some sense for me to retire,
and so I—

Seney: But not quite retire.

Retired from Reclamation to Work for Bookman-Edmonston

Klostermeyer: I took an early out from the Bureau and
came to work for BE.

Seney: So you're the BE person here in
Washington.

Klostermeyer: Yeah, I'm the BE person here in
Washington now.

Seney: The senior historian, Brit Storey, who's
interviewed you about your *long* career in
the Bureau of Reclamation, said to me that
he thought you had some interesting things
to say about the Newlands Project, some
general things to say about the Newlands
Project, and that's what I'd like you to talk
about now, what kind of general
understandings you've come to about the
Newlands Project, its prospects and its
difficulties. Do you recall what you said to
him?

**". . . the Newlands Project probably is a *classic*
example of what's happening to a lot of
projects in the Bureau of Reclamation. . . ."**

Klostermeyer: I don't remember exactly what I said to
Brit, but I think the Newlands Project
probably is a *classic* example of what's

happening to a lot of projects in the Bureau of Reclamation. It's a longtime project. It was started to meet local needs. At the time the project was started, it did that. Now times have changed. Some of the ideas on water development have also changed.

Seney: Let me turn this over.

Klostermeyer: Okay.

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BEGIN SIDE 2, TAPE 1. NOVEMBER 8, 1995.

The Country's Priorities Have Changed

Klostermeyer: Some of the country's priorities have changed, which is okay. The thing that gives me a lot of concern is the people that are advocating some of these other priorities. Environmentalists, for instance, are very quick to criticize developments that took place maybe a generation or two generations before they even were born, as being *bad* investments in the country, a waste of resources, all the negatives that you hear from some of these people. And it doesn't just have to be with water. You hear the same thing on land, public lands, mining, timber, all this. So they're very quick to criticize decisions that were made.

Criticism of Reclamation Projects is Like "Monday-morning quarterbacking"

It's a Monday-morning quarterbacking thing, exactly. Should the coach [have] called for trying to go for a fourth and one in that closing minutes of the game instead of kicking a field goal? On Monday morning you can make a lot of good judgments on that. I'm seeing a lot of Monday-morning quarterbacking coming into our natural resource issues. The people that made the original decisions to build the Newlands Project, to build any of the projects, made it with some very good reasoning behind them. That was the direction that the country was moving, the settlement of the West, developing the resources.

"So we may need to make some changes now, but we ought to make those changes looking at the whole thing. . . ."

So we may need to make some changes now, but we ought to make those changes looking at the whole thing. In the Newlands area, there's a culture developed out there. The community is based upon irrigation and agriculture and making use of the resources that were developed eighty-, ninety years ago. To make the changes, you've got to recognize that. I'm not saying that you can't make those changes, but you have to recognize and take into account that there's families that have spent several generations now in that area *based* on the use of that water, and you just can't come in and say, "We're

going to cut you off. You've *wasted* these resources," or what have you.

Seney: Is there a future for them, do you think?

Klostermeyer: Oh, I think there is, yeah. There's ways that you can make maybe better use of the water. There's areas that the economics is such that you maybe can stop irrigating. *Buying* out the water rights from some of the farmers and letting them *move* someplace else makes some sense. I have to look at *everything*, because the fact that the farmers have been irrigating, maybe inefficiently, but that water isn't wasted in the West. So they have leaky canals. That water goes into the groundwater. It's being used for municipal water. It's going down into the wetlands. So if you have zero waste from your canal, zero waste from the system, that means that you have zero water going into the groundwater. The groundwater table is going to drop. The outflow into the wetlands is going to be cut off. It's not a simple solution just to go in and say, for instance in the Newlands Project, "You have to improve your efficiency." If you improve your efficiency, you're going to do a lot of other *bad* things in the area.

I think people are recognizing that. But in the overall scope of things, I think Newlands has in one little area a microcosm of the whole resource development of the West in this country and a lot of conflicting uses. Of course, when

Newlands was developed, there wasn't a Reno or there wasn't a Lake Tahoe recreation community. I call it a recreation community. I guess it's more than that.

Seney: It's pretty much that, I think. It's a recreation-based community.

"The project has to recognize that there's maybe higher uses of water . . . but the higher uses of water also have to recognize that there is a community that has been established around the Newlands Project. . . ."

Klostermeyer: Yeah. But none of those things existed. They all come in after the project was originally built. The project has to recognize that there's maybe higher uses of water that's come in now, but the higher uses of water also have to recognize that there is a community that has been established around the Newlands Project. There ought to be a way that these things co-exist, but it only does it when you go into a negotiation recognizing that the other party has legitimate reasons for their positions. I'm not sure that in the Newlands Settlement Act that that was completely done; as I started off to say, partly because the district kind of dropped out of the negotiations.

Seney: When I started this project, I had no idea what I was getting into in terms of the complexities of it. I started by going out to the district itself and meeting the people out there, and I really began the interviews

with Lyman McConnell and Ted deBraga and other members of the board of directors in the community out there, and they have been *very* gracious to me and *very* nice. I like them very much.

Klostermeyer: Great people.

Seney: They are, they are, no question about it. But as I've proceeded with the interviews, I have come to the conclusion, somewhat, that there is a kind of built-in difficulty that the district has in dealing with its problems, and that is it's so committed and so convinced of its right to the water that it's *difficult* for it to see a pathway that might lead to compromise and stability and a long-term future for itself. *If* they have a problem that's a serious one for them, it's this kind of problem of outlook that *limits*, again, their capacity to compromise. Did you see this when you dealt with them?

Mindsets that Come into Play in Dealing with the Newlands Project

Klostermeyer: Yeah, I would have to say that you would see that. But on the other hand, if you look at the environmental community, you see that same kind of mind-set that *they* have a right to that water and nobody else can use it. In part, you see that with the Indian tribes, and they may be the *only* people out there that has a right to the water. You see that with the cities.

I think that's just the nature of anybody dealing with water, and it's part of the water law in the West. If you're there first and you're using it, that *does* give you a right to the water; and if you've developed a community lifestyle around the use of that water, then maybe that kind of firms up your right to the water.

That mental attitude, though, is hard to overcome, and I recognize that the people in the Newlands Project feel pretty strongly about their right to the water, although I do think that they recognize that there's maybe some things that they could do different to help the water situation, and they're willing to work that way. Obviously a lot of it comes down to funding, and there's always a question of how much the Federal Government ought to be involved in that funding.

Seney: Funding, you mean, of improvements to the district?

"A lot of the water development in the West right now is pretty marginal. . . ."

Klostermeyer: Improvements the district can make. A lot of the water development in the West right now is pretty marginal. The projects have been developed.

"Operational costs have gone up a lot higher than anybody ever perceived when the projects were developed . . ."

Operational costs have gone up a lot higher than anybody ever perceived when the projects were developed, so that creates a major concern on the part of the local people. You can only pay so much for water and still continue to grow crops. If you raise the price of the water where you can't grow crops and make some money, then the whole community dies off, which is obviously happening in a lot of the Western United States.

Seney: Have you continued to do some work for the district or is this the only project that you've been involved in with them?

Klostermeyer: Basically that's the only thing that I've done with them. Every once in a while they call up and want some little thing, but not a major project, primarily because our Sacramento offices would be the one that they would deal with.

Seney: So they call you *only* when maybe there's a political side dealing with Washington on these matters?

Klostermeyer: Yeah, or the Sacramento people call me for something, along that same line.

Seney: There are those who say that probably the project should not have been built in the first place. That would not be the Newlands people, of course, but that there's been a *huge* investment out there that has not probably paid off very well. Alfalfa is

not a critical crop. Do you have any thoughts on that side of it?

"I guess if you were making the decision today, you would probably say, no, you should not build the Newlands Project, but the decision isn't being made today. . . ."

Klostermeyer: Other than the Monday-morning quarterbacking thing. I can't go back into the early 1900s and say, "Hey, these people that made the decision to build the Newlands Project to bring water to that particular area of the West were *wrong* in making that decision." I guess if you were making the decision today, you would probably say, no, you should not build the Newlands Project, but the decision isn't being made today. The decision was made in the early 1900s, and the whole thought process for economic development in the West was a *lot different* in the 1900s than it is in the 1990s. We've gone through eighty, ninety years of change.

". . . if we did not develop *any* of the projects in the West, would we be in the position today to say that that was the wrong thing to do?"

The question maybe should be asked, if we did *not* develop the Newlands Project in the 1900s, would we be in the position in the West, or if we did not develop *any* of the projects in the West, would we be in the position today to say that that was the wrong thing to do? I don't know, and I'm not sure there's anybody in 1990 should be

criticizing or second-guessing decisions that were made by people back eighty or ninety years ago.

Seney: We just deal with them given our outlook today and make the best of it.

"You focus on what you're doing today. . . ."

Klostermeyer: That's right. You focus on what you're doing today. You know, you could say back eighty years ago or ninety years ago we should have done a lot of different things. Maybe we shouldn't have tore up all of the California waterways looking for gold when we were doing that. That was a major environmental disaster, too. I mean, you look through some of the areas where they did all of the dredging and what have you, that's a disaster.

Seney: Hydraulic mining.

Klostermeyer: Hydraulic mining, all this kind of stuff. Should we have done that or should we not have done that? *At the time*, that made a lot of sense. People made some money. There was some major development that took place out in those areas. Would we do it today? Probably not. But on the other hand, if we hadn't done it then, we may not have the luxury to *say* we should not do it today. That's why I said earlier I think the Newlands Project kind of is a point of focus for *all* of the resource development issues that we have in the West today.

Seney: Right, that's all the questions I have. Any other thoughts you want to add?

Klostermeyer: I hope that everybody works together and eventually gets a solution, and I think eventually they will. I don't think there's any problems that, when people sit down and rationally look at *all* the issues, that you can't find a solution for. We're seeing that taking place in a lot of places in the West today. People working together will come to solutions a lot easier than working against each other.

Seney: All right. Well, thank you very much. I appreciate your time.

END SIDE , TAPE 1. NOVEMBER 8,1995.
END OF INTERVIEWS.