

CAP Oral History

Bonnie Leverton (Q):

It's May 23rd at 9:30 in the morning, 2005, I'm Bonnie Leverton doing the interview.
Bill Leverton is shooting it and your name is...

Jack Pfister (A):

Jack Pfister.

Q: Tell me a little bit about when and where you were born.

A: I was born in Prescott, Arizona. I have Engineering and Law Degrees from the University of Arizona and after graduating from law school, I came to work for Jennings, Strauss, Salmon and Trask here in Phoenix. They were the law firm that represented the Salt River Project. So shortly after I joined the firm, I began doing legal work for the Salt River Project. And then in 1970, SRP asked me to come to work for them in a non-legal capacity. And I joined them in an administrative capacity and then over a period of time became the General Manager from 1976 until I retired in 1991.

Q: Was that kind of a leap going from engineering school to SRP?

A: It was a leap particularly going from being a lawyer to being a manager and ultimately an executive. I had a lot to learn.

Q: What were some of the challenges back then?

A: Well, when I first went to work for Jennings, Strauss, and Salmon, Salt River Project and APS were engaged in mortal combat over a variety of issues including taxes over the construction of transmission lines on the Colorado River system, so I was involved in a variety of issues related to Salt River Project and APS. And then during the 60's, SRP and Jennings, Strauss, and Salmon, were very much involved in the

fight to obtain authorization for the construction of the Central Arizona Project. And one of the senior partners in the firm, a fellow by the name of Ted Riggins, was one of three SRP representatives that went back to Washington, DC to support the lobbying effort to obtain the Central Arizona Project. And during the period of time, I evolved in doing a variety of work for SRP including doing their legislative work.

Q: Why was the CAP so hard to sell? It just seemed like it took forever to get going.

A: I'm not sure that it was necessarily hard to sell. The political realities were that Arizona was a small state. You got a very small congressional delegation. California, who was using the water, had a number of congressional members that resisted the enactment of the Central Arizona Project. And at first, they insisted that Arizona file a lawsuit to resolve the legal issues about who was entitled to the water. So Arizona filed a lawsuit against the State of California that ultimately got resolved, I believe, in 1962, in a way that was favorable to Arizona. And then based on that Supreme Court decision, Arizona was then in a position to lobby Congress in order to get support for the enactment of the Central Arizona Project. Then in 1968 all of the political stars were in alignment. Carl Hayden was in his final year. He was chairman of the Senate Appropriations Committee and had lots of "IOU's" that he had gathered over his many years in Congress. And John Rhodes was the Minority Leader in the House. Mo Udall was on the House Interior and Insular Affairs Committee and that was a very influential position. And then Stewart Udall was the Secretary of Interior. And as a result of the political stars being in alignment and plus Arizona entering into a settlement with California over the right to the water and giving California a priority, they were able to obtain the enactment of the bill authorizing the construction of the Central Arizona Project. Another very important factor was the fact that Lyndon Johnson was the President of the United States. He and Carl Hayden were very close, so they had the support of the President as well.

Q: Can we talk a little bit about why, because I think people think they are all separate entities and they would never join in anything, why SRP and why APS would get involved with the CAP in the first place?

A: Salt River Project and Arizona Public Service Company were aware that in order for Arizona to continue to grow, particularly the greater metropolitan Phoenix area, it needed a stable water supply. The areas that were within the boundaries of the Salt River Project have a stable water supply but growth was beginning to occur outside the boundaries of the project and they needed water. And so APS and Salt River are joined together, along with an organization called the Central Arizona Project Association, which was a group that consisted of community leaders in both Maricopa and Pinal County. They joined together to provide the lobbying support for the authorization of the CAP.

Q: You were also with some other things along the Colorado River right?

A: Well, Salt River Project was the constructor or the project manager and the operator for the Navajo Generating Station, which was a coal-fired power plant that would provide the electricity to the U.S. Bureau of Reclamation to pump the water from the Colorado River into central and southern Arizona. And so the Salt River Project and other utilities in the state were co-owners of the Navajo Generating Station. And that was another very important factor that permitted authorization of the CAP. Originally the proposal was to build dams in the Colorado River in order to provide the pumping capacity for CAP and that was intensely resisted by a group of environmentalists including the Sierra Club. And as a compromise to the dams in the Colorado River, Stewart Udall worked out a plan to provide pumping capacity through a coal-fired power plant and thus eliminating the necessity for building additional dams in the Colorado River. And that was a very important decision that permitted the CAP to go forward.

Q: The Navajo Generating Plant had some of its own problems in as far as getting acceptance and getting...

A: It did. It was resisted by a number of environmental groups that were opposed to any power plants along the Colorado River. And Salt River had to go through very intense environmental reviews. There were lots of opponents and so we were involved in trying to justify the construction of the power plant to a large number of special interest groups in the southwest.

Q: You worked out solutions over the years.

A: They did. A number of decisions were made to make the Navajo Generating Station more environmentally benign. And then ultimately, that resulted in the improvement of the air pollution control equipment so that, I think today, the Navajo Generating Station is one of the most environmentally acceptable power plants in the southwest.

Q: Isn't that involved with some kind of a scrubber?

A: Yes. Ultimately they had to put in scrubbers to remove the sulfur dioxide from the fuel gases coming out of the boiler.

Q: Everybody's learning as they go along.

A: Yes indeed.

Q: You said the Navajo Generating Plant as being ultimately very important to the CAP. Talk a little bit about, what happens to CAP if they didn't have a Navajo Generating Plant?

A: If they didn't have the Navajo Generating Station, they wouldn't have the electricity to pump the water. There are, I've forgotten the exact number, I think it's thirteen pumping stations (sic) along the canal system. The first and largest lift is right out of the river itself, up through what's called the Buckskin Tunnel. And then there are additional lifts along the canal system and without the Navajo

Generating Station, it would be impossible for the CAP to operate and pump the water into central and southern Arizona.

Q: When CAP first came out, wasn't it supposed to only be helping the farmers? It's going to be helping out agricultural?

A: As originally conceived, I think, the primary justification for CAP was to provide agricultural water. But in the final phases, it became very apparent that providing agricultural water was really a temporary requirement and that ultimately most of the water would have to be utilized for municipal and industrial (M&I) purposes. And so, there was a provision in the authorization that provided that M&I water would have the first priority and then as the municipal and industrial requirements increased, the water would be withdrawn from the agricultural uses and go into M&I uses. At the time, there was very, at the time of the authorization, there was very little planning for water being used by Native Americans. But today, as a result of a variety of water settlements, over 50% of the water will be utilized to solve and satisfy Native American water claims. So CAP has turned out to be something very different than it was originally conceived.

Q: You think for the better or the worse?

A: Oh, I think for the better. Native American water rights or Indian water rights is a very complex topic. But they had water rights that threatened the water supplies for central and southern Arizona and by using CAP water to satisfy or partially satisfy those claims, they really stabilized the water supply for central and southern Arizona. In addition, it turned out that CAP was more expensive than anybody had envisioned that it would be. So using a portion of the water to satisfy Native American claims has helped with the economics of CAP.

Bill: Can I ask a question? You'd probably get to it but, as you went through these processes and from the beginning and as you went along over the years, did you ever falter? Did you ever think that, "well I'm not going to get through this or it's

not going to be done?" Were you discouraged? You must have had some moments.

A: There were times when it was very frustrating. We wondered whether CAP would ever become a reality. But we never lost, and we I'm saying collectively the people that were supporting the CAP, never lost faith that ultimately with continued support and our vigorous activity that it could not be ultimately achieved. I think one of the really most difficult moments was when President Carter put the Central Arizona Project on what was called the "Hit List" which was a list of western water projects that he wanted to de-authorize. In typical Arizona fashion, the political and community leaders rallied together, this time under the direction of Mo Udall and John Rhodes and Governor Castro at the time, and we mobilized support for continuing to build the Central Arizona Project. And as a result of re-justifying the value of CAP and providing lots of political support, the effort to de-authorize was thwarted. There were some changes, for example, Orme Dam was eliminated in the process and the Department of Interior insisted that Arizona come to grips with its over drafting of the groundwater supply. And Cecil Andrus, whom you're going to be interviewing later, was a large part of that. He and Governor Babbitt at the time worked out a process for studying the alternatives to Orme Dam. And then ultimately Babbitt and our legislative leaders were able to enact the Groundwater Management Act. So even out of the turmoil that occurred with the Carter "Hit List," a lot of positive things came out of that.

Q: Is that also when the Indian Water Rights were worked out or was that a different deal?

A: That was a different deal. And that's been not just one settlement, there have been multiple settlements. Most recently the Gila River Indian settlement that Senator Kyl and others have worked on. Indian Water Rights have been a continuing process. Most of the rights have been resolved, but there are a few others that still need to be resolved, but the bulk of them have been satisfied.

Q: Let's go back to when you were first starting with SRP, when you were first getting any kind of involvement at all with the CAP, what were the main concerns about water in Arizona? Nobody could've expected what's happened to Arizona.

A: Well, I think nobody could've foreseen the level of growth but everybody expected Arizona to grow, just not at the rate that it has grown. Salt River Project has always been a strong supporter of long-range planning when it comes to water supply. And we know that you have good times and bad times and you need to have dams and alternative supplies of water in order to protect against extended drought. So creative management of water is kind of a religion at Salt River Project and again, although we've had disappointments along the way, Salt River Project and its Board of Directors and its management team have been very strong supporters of CAP. We knew it was a vital component to support the future of Arizona and it's proved to be the case.

Q: Talk a little bit more about the groundwater thing. What was your involvement in it?

A: The Governor created and the Legislature created a task force to study how Arizona should come to grips with its over drafting of groundwater. Earlier governors had tried unsuccessfully to accomplish that, but this time Arizona had the incentive I guess, provided by the Department of Interior, that if we weren't able to do it we might lose the Central Arizona Project. And so this task force, study committee, included representatives from the agricultural community, from the mines, the cities, and Salt River Project had two representatives. A guy by the name of Leroy Michael who was an executive with the Salt River Project, and a fellow by the name of Cecil Miller who was with the Arizona Farm Growers Association or the Farm Bureau. So they were involved in these intensive negotiations. Finally the public process kind of grounded to a halt and Governor Babbitt finally started convening this group, which became known as the Rump Group, in the basement of a law office and they engaged in intensive negotiations. And they had several legislators involved; Burton Barr, Stan Turley,

Alfredo Gutierrez were all involved. And they finally reached a compromise and they signed off on the compromise with the understanding that the legislature would pass it just exactly as they had negotiated it and if they changed one word of it; the parties would not be bound. The legislature was kind of offended by that, but fortunately Burton Barr and Stan Turley and Governor Babbitt were successful in getting the Legislature to ultimately pass the Groundwater Management Act. And it has proven to be probably the king pin really of a comprehensive management of the depleting groundwater supply in central and southern Arizona. And it's received several awards for its innovative way of approaching the problem.

Q: Is it kind of surprising to you also that the groundwater problem, I mean everything can keep up with the growth of Arizona?

A: With the Salt River Project's surface water supply, with the Colorado River surface water supply, supplemented by some pumping, I think Arizona has or the central and southern has a secure water supply for the next twenty to thirty years, maybe twenty to fifty years. But beyond that, I think Arizona is going to have to start thinking very creatively about water supply, just as they did when a group came together to organize the Central Arizona Project Association. It was a group of community and business leaders that knew that Arizona needed a future water supply and they came together, provided resources to do the legal and engineering work in order to support the CAP. And the time, in my opinion, has come for the state to do something very similar to that for the future.

Q: What happens if they don't?

A: Then they're going to have to confront some very unpleasant decisions I think. The interesting thing is that no area has ever quit growing because of water. When the water gets scarce then people find innovative ways to re-use water, to conserve. There's an old saying that water runs up hill towards money and it's when you start

pricing it at higher rates, people can be very creative about how they make the water go further.

Q: Do you think that there's going to have to be something else similar to CAP in the future? Kind of have them side-by-side or something?

A: Well, it's unlikely that there'll be another CAP. There have not been any Federal Reclamation projects authorized since CAP. It was the largest, most expensive, and I don't think that is in the cards. I think there will be a series of smaller things that will occur including greater use of effluent and wastewater. I think there'll be some desalinization particularly in areas like Buckeye where there are lots of water but it's not very potable. So that there will be a variety of small things that will be done that will provide our future water supply.

Q: When Arizona and the southwest is in a drought like this, wouldn't you think that would make people get real serious about, we better solve some of these problems now?

A: They do get serious after a drought. And the Governor had organized a Drought Task Force that worked very hard to find some solutions. But the minute the reservoirs are almost full, all of the energy to find alternatives begins to dissipate. And that's why organizations like the Salt River Project and the CAP are so important, because they have and continue to look at a long-term situation. They know there will be droughts and so they know that you have to plan for the future.

Q: You were involved with a group appointed by Governor Symington that had to do with environmental issues on CAP. Talk about that a little bit.

A: Well, Governor Symington created a task force to take a comprehensive look at the CAP; one was financing and then one was the environmental aspects of it. And I was the co-chair of sub-committee of the Symington task force that worked on the environmental issues. We made a series of recommendations to the

Governor. A number of which were enacted into legislation and I think were intended to make CAP even more environmentally acceptable than it had been. And I think most of those recommendations were adopted and implemented.

Q: What were some of your recommendations?

A: We created a fund to rehabilitate riparian habitat. And we recommended for creative things to do along the canal system so that there would be ways that animals could cross. And we looked at ways of avoiding some areas where there were some endangered species. So those were the kinds of things that we took a look at.

Q: Are those things, are they increasingly looking at those things? I know that there were some environmental concerns when it was first starting to be developed and built, actually built, and now it seems more environmentally conscious.

A: I think people are more environmentally conscious. I don't know what the current status might be. I haven't really followed it in the last several years. But I think it's fair to say that all of the major organizations have developed enhanced environmental sensitivities over the last twenty to twenty-five years.

Q: What kind of recommendations would you give CAP as far as making sure that they're set...

A: One of the things that the Salt River Project has learned is that as long as there's water in the tap and you can flip the switch and the lights come on, most people don't pay attention to who you are or what you do. And with as many new people as we have coming into the greater Phoenix area, you have to constantly let people know what you do and why you do it and how important it is. So I think it's important for CAP, just like the Salt River Project, to have an ongoing communications plan with its customers. And it's even more difficult for CAP because they don't have direct residential customers. They deliver all their water

to municipalities and industries and farms. And so they indirectly benefit the area rather than directly so that's particularly challenging communications issue for them. They also have to do their job in a responsible way. I think they have to be free from any kind of questions about integrity of the organization.

Bill: I think when people look at a gentleman like you and the years you've spent doing what you do...I guess one of the standard questions is do you have any regrets? What are some issues that you think you didn't take care of? What are some disappointments that you had? I know I asked that question before. But in the overall sense of the thing what are some things you think you didn't accomplish or wished you'd had?

A: It took a while for Salt River Project to develop adequate environmental sensitivity. I came to work for Salt River Project in 1970. At that time they had no environmental department. They probably couldn't even spell ecosystem. And it was just not something that was of importance to them. And then they were confronted with a lot of opposition to particularly the power plants along the Colorado River. And I became a one-man environmental department. I went around actually debating environmentalists and the more I debated and listened to them, the more convinced I became that they had some important things to say that Salt River needed to listen to. And so over a period of time, Salt River evolved into a very professional environmental department. And in retrospect, I think we could've done that quicker than we did.

Salt River Project went through a very difficult period of time in getting ready for the deregulation of the utility industry and we went through a process of layoffs. And I think if we had seen that coming earlier, we could have done it in a way that wasn't as difficult on a number of employees that had to be let go. And that was one of the most painful things that I was ever involved in. But we were like many companies; we didn't see it coming until it was almost ready to overwhelm us. And then we responded appropriately. And it really positioned Salt River Project in a very good way for the future. I think the voting system at Salt River

Project is an anachronism and it's something that's going to ultimately have to be addressed. And we tried to get board support to do that and we were unsuccessful. I was at Salt River for twenty years. I enjoyed it immensely; it was very rewarding. Professionally, I really enjoyed working with the people. The Salt River Project is a very unique organization. It has a camaraderie among its employees that is extremely unique. It was just a delight to be involved with it. And it also has a high level of professionalism and a high level of integrity that I think has been major contributors to its success. So far I had some disappointments on balance. I have only the fondest of memories of my involvement of Salt River.

Q: When you are talking about Salt River Project in connection with the CAP, what do you think was your greatest accomplishment?

A: I think convincing the Board of Directors of the Salt River Project that they ought to inter-connect the CAP canal with the Salt River Project canal system. The Salt River Project Board of Directors was very apprehensive about the differential quality of water from CAP and from Salt River. And it took a lot of cajoling and a lot of hand holding to finally get the SRP Board to agree to interconnect the two water systems. As it turns out, that's been a very important decision and very helpful to Salt River Project. During the drought, SRP took lots of CAP water into its system. And as far as I know with very little adverse consequences and if we hadn't been interconnected that would not have happened. Also, Salt River Project entered into an agreement with the CAP to deliver the pumping electricity and that stabilized the power supply for CAP but it was also beneficial to SRP and so they were able to pay CAP some money for that and that helped CAP financially. So those are the two most important aspects. Also, I was very much involved in the Orme Dam alternative study. And I think that the solution, the alternative that finally was worked out was much better than Orme Dam. As a matter of fact, Orme Dam would not have worked without flood control upstream. Although there are still people that don't agree that that was a good decision, in my opinion, it was an appropriate decision and Salt River Project was very much involved in that.

Q: How did you convince everybody to go along with it?

A: I think the merits of the arguments. They were decisions that, once you got over some visceral reactions, were the right decisions. And the classic Salt River Project way, where you provide engineering information, provide economic data, and just support the decision with solid study and planning. And that's the way that Salt River Project has been as successful as it has over the years.

Q: You were talking about what you think were the best accomplishments of SRP connected with CAP, what's your biggest disappointment with the CAP? Have they not done something that you thought they should have?

A: I really don't have any major disappointments with CAP. I was concerned in the first instance about whether or not they could assume the operating control from the Bureau of Reclamation, but Tom Clark and his staff really put together a quality operating group. They have operated the CAP with a high degree of professionalism and they've done very well. There was a period of time when they had some problems with some of the pipe in the underground areas, the siphons. But that was really something that the Bureau of Reclamation was responsible for that was not CAP. I know a number of the CAP executives and I think they're high quality capable people and they've done a good job. What they need to do is to let more people know that they've done a good job.

Q: Okay, last question and you kind of answered this already. What do you see as the future of Arizona in connection with CAP or the water issues?

A: Water will continue to be a major issue for Arizona for the foreseeable future. As I mentioned, I think we have an adequate water supply for the foreseeable future, but what you learn from looking at the history of the Salt River Project and the history of the Central Arizona Project is that these water projects take a long time from conception to implementation. So I think Arizona needs to begin to look, as

Governor Babbitt has said, for its next watering hole. It's not too soon to begin thinking about that.

Q: Any questions you think we might ask Cecil Andrus?

A: Are you going to tape Babbitt's oral history?

Q: I think Pam did him this year.

A: Babbitt and Cecil Andrus had a private conversation about what it was going to take for Arizona to get CAP to be reinstated and taken off the Carter "Hit List" and it would be interesting to get Cecil Andrus take on that conversation.

Q: Do you think he'll tell us?

A: I'm trying to think. There's...I think in the water book, Waterline, that the Salt River Project published there's some stuff in there from Babbitt about that conversation and it would be worth your taking a look at that before you go up to meet with Andrus.

Q: Where can I get a copy of that?

A: I would be very surprised if Pam doesn't have a copy.

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