

# Who Pays and Who Benefits? Metropolitan Water Politics in Twentieth-Century Southern California

*Kazuto OSHIO*  
*Japan Women's University*

## I PROLOGUE

This study chronologically examines the political struggle over the distribution and allocation of water in semi-arid Southern California and focuses on the historical development of the Metropolitan Water District of Southern California (MWD). In 1928 eleven municipalities formed the MWD, chartered by the state legislature, to import Colorado River water from the east. Today, the MWD, with its imported water from the Colorado and the Feather Rivers in northern California, serves more than 120 municipal members and the still expanding population of almost 15 million people in the six counties of Ventura, Los Angeles, Orange, San Bernardino, Riverside, and San Diego.

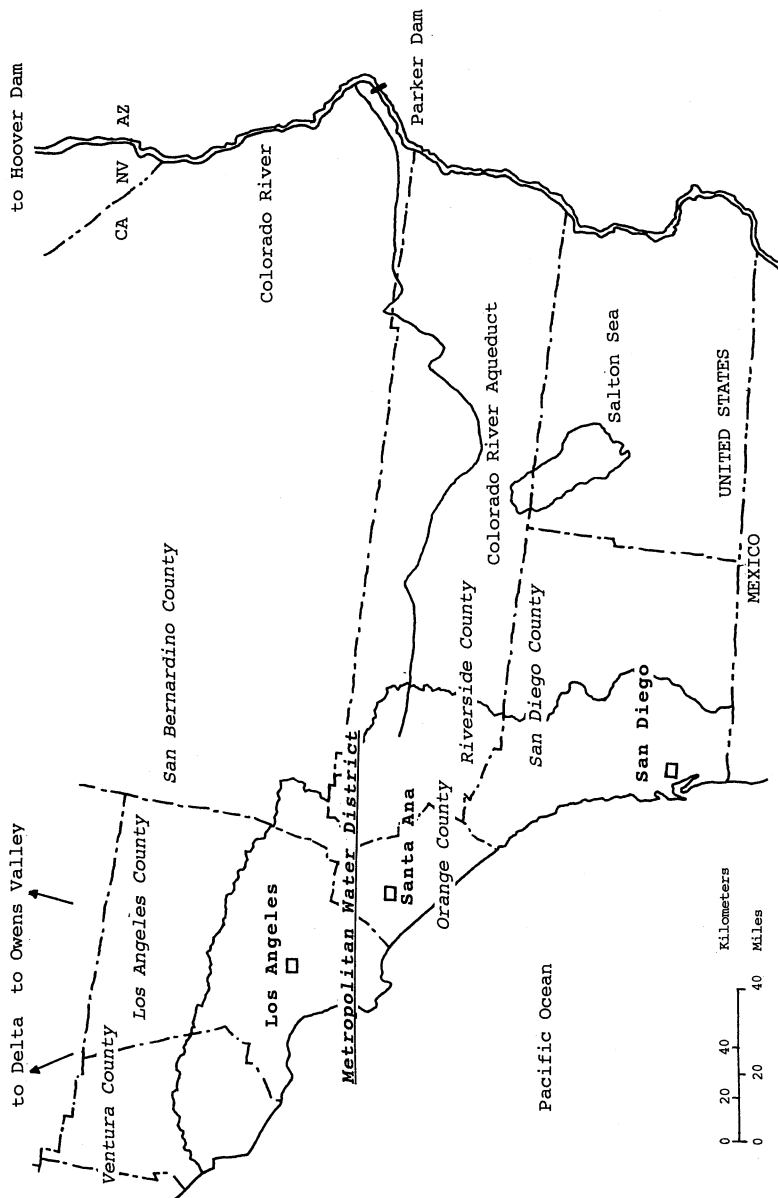
Metropolitan development in Southern California, where water has been a critical political issue, fitted into the historical pattern of conflict between centralization and decentralization as elsewhere.<sup>1</sup> In reviewing the history of metropolitan water development in Denver, Colorado, James Cox demonstrated that a "central city-suburban hostility" existed.<sup>2</sup> Notably, Los Angeles attempted to use its political muscle to prevent suburban communities from becoming the primary beneficiaries

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MAP 1

METROPOLITAN WATER DISTRICT & SOUTHERN CALIFORNIA



of the water development schemes. To answer how and why this hostility was played out we must examine the question of whether Los Angeles dominated the metropolitan political landscape of Southern California.

The purpose of this paper is to challenge the notion that Los Angeles has dominated the other member communities of the MWD. Prominent water historian Norris Hundley concluded that the Metropolitan Water District “was essentially directed by Los Angeles.” The framers of the structure of this agency, including William Mulholland, “provided for the city’s dominance of the district (and hence the coastal plain as a whole, for which the MWD would supply water).”<sup>3</sup> There is still a strong belief that the city is at the powerful center of water politics. According to a saying in the West, water flows uphill toward power and money. “For almost a century,” stated the *Los Angeles Times*, “these criteria have directed the precious liquid toward Los Angeles.”<sup>4</sup>

The question should be asked how could one city control the huge district and the entire region? The MWD’s decision-making body, its Board of Directors, was dominated by representatives from Los Angeles, which possessed the highest property value and, because the number of votes was determined by assessed valuation, was the strongest political block in Southern California. This was the interpretation but in reality the surrounding communities did not necessarily subordinate themselves to the powerful city.

Although it is true that the Metropolitan Water District’s managers and directors have collectively tended to support resource “development” (rather than “management”) policies, they have disagreed with each other as to how to achieve that goal since the MWD represented numerous local interests. For instance, a historical rivalry between Los Angeles and San Diego, both members of the district, played a significant role in the decision-making process. One state water official, observing these local dynamics from Sacramento, pointed out that

There has always been in Southern California a rather deep schism in thinking between some of the member agencies of the Metropolitan Water District, such as the Department of Water and Power of the City of Los Angeles, and San Diego County people, as to their viewpoints as to the future and the viewpoint of the Board of Directors of the Metropolitan Water District as formally expressed.<sup>5</sup>

In the twentieth century, both the city of Los Angeles and the sur-

rounding communities experienced a continuous economic boom. Particularly after the Second World War, when Los Angeles' neighboring communities were expanding greatly and utilizing more of the waters Los Angeles did not use, tension between the city's interests and those of others arose. There were numerous factors that contributed to a successful campaign against the city of Los Angeles over its spatial expansion. The available groundwater, especially in the San Gabriel and San Bernardino areas, enabled the local municipalities successfully to resist the MWD's aggressive annexation campaigns. There was also the dilemma faced by Los Angeles, which on the one hand wanted to decrease its unfair fiscal burden, but on the other, was forced by its obsession to "grow on water" to make concessions to other booming communities in Southern California. Notably, the fear of losing its entitlement to the Colorado River and Owens Valley waters coerced the city into striking compromises. Still another factor after the 1950s was the alternative water to be provided by the State of California, which became a bargaining tool for the municipalities when negotiating with the city of Los Angeles.

## II THE 1870s TO THE 1910s

The center of Southern California has been the "Improbable Los Angeles." David Clark noted that "few developments in humanity's past have been more improbable than the rise of Los Angeles to its present [1983] position," and he attributed this improbability both to the lack of capital and markets and to the semi-arid environment.<sup>6</sup> Given the limits imposed by nature, we have to ask how Southern California grew so much. In the mid-nineteenth century, the region became a continuously booming community and, by the end of the century, it came to comprise many separate units, some being municipalities and others unincorporated. This fragmented yet expansive regional development was made possible by numerous natural and artificial forces, the pursuit of "growth" being the central theme throughout its history.

When Southern California experienced rapid growth, numerous communities competed to be its regional emporium. By the 1870s, however, the city of Los Angeles had prevailed over its nearest rivals—Wilmington to the south, San Bernardino to the east, and Anaheim to the southeast. Then came bitter competition between Los Angeles and San Diego, which in the mid-nineteenth century was expected to

dominate Southern California as San Francisco did in the north. One hundred miles south of Los Angeles and just north of the Mexican border, San Diego was the only community in the region with a deep water harbor, in contrast to the shallow San Pedro Bay twenty miles south of Los Angeles, and had therefore been considered a potential rival to San Francisco for world trade, but by the 1870s its growth had lagged behind its northern rival. Starting with less than 3,000 people, San Diego grew by only 10 percent that decade, while Los Angeles, with more than 11,000, approximately doubled its population. Much of this growth can be attributed to the completion of the transcontinental railroad, and once Los Angeles was connected to the Southern Pacific Railroad, it quickly outpaced San Diego in economic competition.<sup>7</sup>

Another important factor for growth was immigration. By the turn of the century, the growing communities of Southern California had received a large influx of immigrants—lower in periods of depression but intense during periods of prosperity and boom. These immigrants created communities, and each of these was convinced that it would one day rival Los Angeles, thereby adding fuel to the growth mentality. Bigger and Kitchen observed that “Many of the settlements dotting the countryside in 1900 were victims of the pathological desire for growth by their spreading neighbors.” “In the competition to be bigger, and therefore better,” they concluded that “less-favored communities lost the struggle—and their identity—as they were merged with other centers.”<sup>8</sup> Pushing its boundaries outward, the city of Los Angeles engulfed numerous satellite communities, and Pasadena, Glendale, and Long Beach emulated Los Angeles by expanding their municipal boundaries. They used annexation to increase their territory and thus rivalries arose among the communities, especially since territory was often annexed by one city to prevent it from being added to another. Their motivations varied: real estate promoters wanted urban services for newly developed tracts; the cities desired certain sites for schools, power plants, sewage disposal plants, or other municipal uses; newly developed sections represented potential tax revenues which the cities wanted. They all shared the simple desire to be bigger, and the competition intensified during the Progressive Era at the turn of the twentieth century.

By the beginning of the twentieth century, it became apparent, according to business and political leaders, that limited local resources

would not allow the dream of Los Angeles to become a great urban center. City leaders in Los Angeles viewed growth as an end in itself and saw water as the chief means to sustain it through governmental, rather than private, initiatives with tax money. Their attitudes reflected the Progressive Era emphasis on activist government and prepared the way for the massive public works of the 1920s.<sup>9</sup>

They created municipal agencies which would provide the necessary infrastructure for metropolitan growth, which in turn was crucial for shaping regional development from the Progressive Era onward. In the future, governmental authority would acquire increasing independence from the private interests that had originally given it birth, and bureaucrats gradually secured autonomy by fashioning alliances with politicians and local voters. In the case of the water department in Los Angeles, as a result of the charter provisions adopted in January 1903, a newly reconstituted five-member Board of Water Commissioners was to be appointed by the mayor and confirmed by the city council.<sup>10</sup>

From 1905 to 1913 most of the city's financial, engineering, and legal resources were devoted to acquiring water rights in, and to the construction of an aqueduct system from, the Owens Valley in the Sierra Nevada to the north. Angelenos supported this public policy: first in 1905 and then in 1907, the Los Angeles electorate cast overwhelming ballots authorizing the project. In the former election, which asked for \$1.5 million in bonds for the necessary water rights, they approved it by fourteen to one while the latter measure, involving \$23 million in construction bonds, was approved by a ten to one margin. Norris Hundley concluded that "[t]he lopsided votes reflected the public's commitment to growth and the widespread belief that the entire community would benefit from the project."<sup>11</sup>

Construction of the aqueduct began in 1908, and on November 5, 1913, the first Owens River water poured into the San Fernando Valley, ten miles northwest of Los Angeles. The city had tapped a rich source which could provide 400 cubic feet per second, enough for a population of two million, and with this water came territorial expansion on the part of Los Angeles. By the end of 1915, the city had nearly tripled in size—from 108 to 285 square miles—with the largest single annexation being the San Fernando Valley.

Rapid expansion of its boundaries was thought to be one way of justifying and requiring more water to build an even bigger Los Angeles. This expansion was not accomplished without conflict, and an-

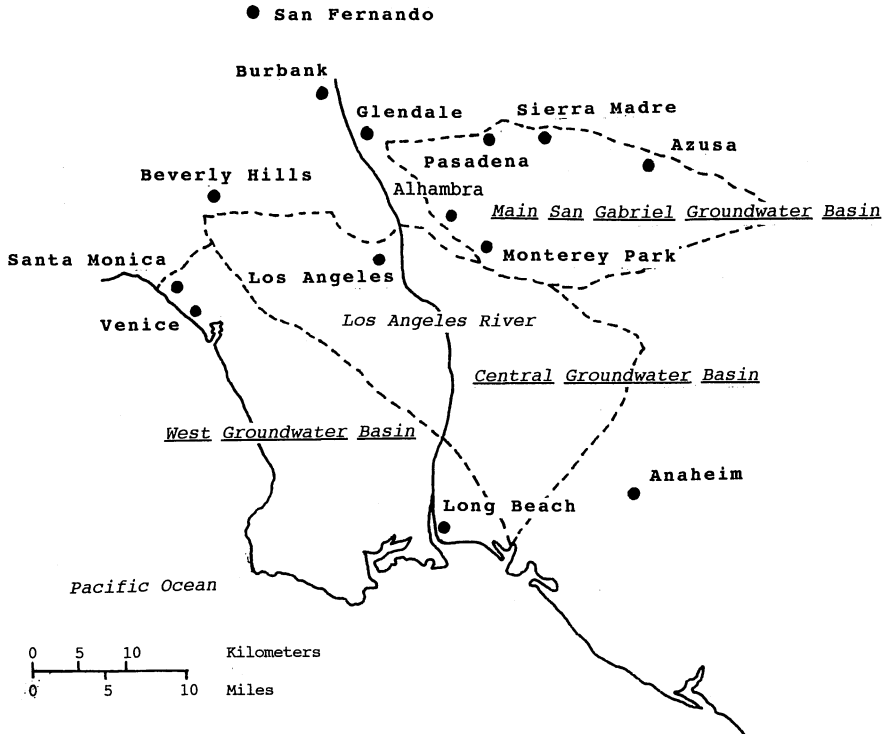
nexation campaigns were waged in every surrounding community. In some communities, defeat for the annexationists merely meant another, more vigorous and determined, campaign. In some instances, after the elections had been won by the annexationists, those opposed resorted to litigation to try to repeal the electoral decision, and it occasionally took several years to decide the fate of a community. As the boundaries of Los Angeles were extended, communities opposed to annexation became increasingly hostile toward the expanding city and came to identify themselves as allied communities, united by the common fear of urban imperialism. Facing the problem of inadequate local water supply, such cities as Beverly Hills, Burbank, Glendale, Long Beach, Pasadena, and Santa Monica rejected annexation to Los Angeles as a solution. Burbank and Glendale, for instance, were able indirectly to take advantage of Los Angeles' importation of Owens Valley water by pumping from the underground supplies of San Fernando Valley. Pasadena was able to supplement its local supply, which came from storing flood waters from the San Gabriel River.<sup>12</sup>

In contrast to its rivals, Los Angeles was in a much better position because its supreme, and in many instances exclusive, rights gave it easier access to the water. In 1909 the California State Supreme Court, in *Los Angeles v. Buffington et al.*, recognized that the San Fernando Valley was the source of the Los Angeles River, thereby extending the city's pueblo right to river water to the waters of the valley which, along with the surrounding mountains, constitutes the "upper" drainage area of the Los Angeles River.<sup>13</sup> Its underground basin, though, is beneath other cities including Burbank, Glendale, and San Fernando. Eventually the San Fernando area became the stage for a water war between the valley communities and Los Angeles which claimed a paramount right to use the river water. Although the "lower" reaches of the Los Angeles River cross the Central and West Basins, part of which sit under the City of Los Angeles, the river does not contribute to the freshwater supply of these basins because they are confined by an overlying layer of impermeable clay. In short, the extension of the pueblo right to surface and ground water in the valley meant in effect a new additional source of supply for the City of Los Angeles, and an unexpected loss for the valley communities.

Meanwhile, the cities that had avoided or been under pressure from the aggressive annexation policies of Los Angeles were increasingly put into a disadvantageous position as the city expanded. Their choices for

## MAP 2

## SOUTHERN CALIFORNIA COMMUNITIES &amp; GROUNDWATER BASINS



securing water supplies were limited to continuing to exploit underground water resources where available or to search for alternative, distant sources of water. San Diego, for instance, had chosen the latter and from early in the twentieth century, through the Water Committee of the San Diego Chamber of Commerce, San Diegans had planned to find ways to import water. In order to develop its local economy without involving Los Angeles, the League of the Southwest was established to promote the area's economic growth, and in November 1917 held its first convention. Because local participants had long sought a



strong economic base for the city, whose commercial growth had remained unimpressive in spite of its natural harbor and the determined efforts of its civic leaders to attract industry, the convention passed a resolution to develop the Colorado River. This inspired other communities in the West, over the next decade, to look increasingly to the Colorado River for water to support development.<sup>14</sup>

### III THE 1920s

According to the 1920 census nine million people, approximately 8.3% of the American total, lived in the West, and 37 percent (3.4 million) of those were in California. Among the numerous communities in California, the city and county of Los Angeles were the fastest growing area in the entire West. Los Angeles county was 84% urban and relied on the aqueduct from the Owens Valley for its water. At the same time, the communities surrounding Los Angeles had also expanded: Long Beach's population grew from 2,000 in 1890 to 56,000 in 1920, Pasadena from 9,000 to 45,000, Santa Monica from 3,000 to 15,000, Pomona from 6,000 to 14,000, Glendale from nothing to 14,000, and Venice from nothing to 10,000.

Southern California's rapid growth in population and settlement led to the creation of a series of water development policies, which were neither coherent nor monolithic. The city of Los Angeles had plenty of water after it completed the Owens Valley aqueduct in 1913, but in the 1920s water bureaucrats outside Los Angeles faced expanding populations and had to choose from these options: continue to rely on existing groundwater supplies where available, become annexed to the city of Los Angeles in order to receive Owens Valley water, or establish a regional coalition to take advantage of changes then taking place in the larger context of water management in the West. These changes originated in Washington, D.C., where Secretary of Commerce Herbert Hoover, an engineer and Progressive Republican, had been lobbying in the 1920s for federal legislation to authorize the construction of Boulder (later renamed Hoover) Dam, in the Black Canyon of the Colorado River as part of his attempts to centralize the development of natural resources. The legislation was originally introduced in April 1922 and ultimately passed in 1929, and when the project was completed in 1935 it made a vast new supply of water available to settlements in the West.<sup>15</sup>

Faced with the three choices listed above, some communities decided to adopt the first for reasons such as low short-term financial cost, fear of and dislike for the city of Los Angeles, and a firmly rooted preference for local autonomy. Others, however, chose the third option and promoted a regional coalition. For example, by the mid 1910s, the city of Pasadena, lying above Raymond Basin, had faced serious hydrological problems caused by the falling level of groundwater. Although the city solved this problem by artificially injecting surface water into the basin, conditions worsened in the opposite direction after a dry cycle began in 1922. During the 1920s, underground water levels dropped, some wells failed, and longer pumping lifts raised operation costs in others. Pasadena and other Southern California communities with similar problems were therefore in a much more critical situation regarding their water supply than was the city of Los Angeles, so they considered how to acquire a supplemental supply of water.<sup>16</sup>

These communities needed to organize a metropolitan coalition to tap water stored behind Hoover Dam, and this eventually required three pieces of legislation and three major contracts. First of all, an agreement on the interstate apportionment of the Colorado River water had to be worked out as the Colorado River Compact, signed and ratified by six of the seven member states on November 24, 1922.<sup>17</sup> After that, a law enacted in Sacramento was needed to create a regional governmental agency in Southern California to tap the river, as was another at the federal level to build the dam and regulate the Colorado. This was then followed by two contracts between the regional agency and the United States government for power and water and by an agreement to apportion the Colorado River water among water users in California.

In 1927, after failing two years earlier and then amending the original bill, the California Senate and State Assembly passed the Metropolitan Water District Act. The amendments included much tighter restrictions on the right of eminent domain in order to ease the fears of small communities. The concerns of the smaller communities were also addressed by amending the 1925 bill, which allowed one city to possess more than fifty per cent of the vote on the governing board, to a fifty-percent limit in 1927. This was significant for the small communities since voting strength in the district would otherwise be completely determined by assessed property valuation, which was largely concentrated within the city of Los Angeles.<sup>18</sup>

MAP 3

**COLORADO RIVER BASIN 1922**



Another issue regarding the relationship between Los Angeles and the other member municipalities caused great anxiety for Los Angeles. Senator Harry Chamberlin of Los Angeles pointed out as early as 1925 that his city might have to bear an unfair financial burden since the district would be given the authority to tax Southern Californians over \$6 million in the first nine years, of which \$4.64 million would be raised within the boundaries of the city of Los Angeles. Chamberlin thought the burden of financing the waterworks should be shared much more broadly across the region, and the issue of fair financial burden would surface repeatedly throughout the history of metropolitan water development in Southern California.<sup>19</sup>

The controversy around financial policy stemmed from whether to use taxes on property or water rates as a means of paying for the facilities and operations of the Metropolitan Water District. Los Angeles property owners were originally asked to pay the largest share of the MWD's costs, but they would benefit very little in terms of the amount of water they would receive. As might be expected, many Angelenos demanded more equitable fiscal policies by the district and some even wanted the city to leave. This subsequently became an issue of great importance for Los Angeles and the surrounding communities, the latter usually comprising newly developing areas with lower assessed valuation and therefore without enough capital to develop their own water supplies. It is interesting to examine how this happened.

Economist Jerome Milliman in 1956 accused the MWD's planners of not comparing the costs of aqueduct water, which would necessarily be expensive, with cheaper local ground and surface water supplies. In reality, there was little incentive for local water users to replace their supplies from aquifers with more expensive imported water or to use the imported water to replenish the aquifers. District members, principally cities overlying aquifers, would not restrict their own pumping from underground supplies to buy expensive imported water to raise groundwater levels unless all the other pumpers of the basin acted similarly.<sup>20</sup> This example of the faith in localism and diffused governmental authority eventually generated stiff resistance to the unified, efficient and natural-resource-conserving water policies in Southern California. It meant that no imported water would be used by local communities to replenish aquifers unless either legal or financial burdens were placed on all the pumpers of a basin, and developing such institutional constraints would pose a difficult and complex challenge.

## IV THE 1930s TO THE 1950s

As soon as the newly created Metropolitan Water District launched its first policy campaign—to construct the Colorado River Aqueduct—it was greeted with dissent from citizens of Los Angeles. On January 16, 1931, Metropolitan's Board of Directors unanimously approved a plan to convince the voters in Southern California to approve a \$220 million bond issue to pay for the aqueduct. This plan was based upon three assumptions: the project would be self-supporting and the tax burden would be relatively light, the project would legally "perfect" the District's right to the Colorado River water by putting that right to actual use, and it would stimulate employment during the Great Depression. On September 29, 1931, the bond issue was approved, but some Los Angeles taxpayers believed the MWD's campaign to be a waste of tax revenue and filed suit in the state courts to try to block the bonds.<sup>21</sup>

Such litigation was resented by others on the ground that the suits would delay the project at a time when unemployment was mounting rapidly. The *Los Angeles Times* editorialized:

The maneuvers have every appearance of a filibuster under cover of law, and a perversion of the very purpose of the law and the courts. [The opponents] may be legal, but certainly are illegitimate . . . [and] not only threaten the community with a serious water shortage, but their fellow citizens with unnecessary hardship and privation.<sup>22</sup>

The courts dismissed the suit filed by the opponents in June 1932.<sup>23</sup>

Despite initial disappointments, opponents of aqueduct construction were persistent. In August 1932 the Los Angeles Division of the California Taxpayers' Association also sought to involve the courts in these matters by challenging the District in federal court. The Association argued that aqueduct construction should be delayed for five years, citing four reasons—no water emergency would result if the project were postponed, estimated demands for water by the District were exaggerated, the District's water rights were not in jeopardy, and the increase in taxes contemplated by the District would cause undue hardship on property owners in view of excessive depression-caused tax delinquencies—but its case was dismissed. In response, water officials persuaded many taxpayers to support their project on the assumption that water revenues, not taxes, would cover a substantial portion of capital

costs.<sup>24</sup>

Even after construction of the aqueduct had begun, local protests continued. By 1937 fiscal problems had forced the MWD to ask the California legislature to amend the Act to empower its Board to levy annual taxes to cover necessary expenses. On November 15, before the legislature voted, James Stevenson of the Los Angeles Bureau of Municipal Research mailed a protest to the community's residents arguing that the MWD had betrayed voters in 1931 by saying that the Colorado River Aqueduct would be "a 'self-liquidating' project which would burden taxpayers very lightly during the construction period only." Two weeks later, after the amendment was passed, Stevenson sent out his protest letters again, notably saying "This City will need no Colorado River water for many years, and will not be able to pay for it." He specifically criticized the tax subsidy for the water and informed the voters about the hidden cost: "selling for \$15 per acre foot, [the water] will actually cost from \$286 to \$390 per acre foot."<sup>25</sup>

By the time the aqueduct was completed in 1941, the MWD's initial assumption—that within a reasonable period of time all Colorado River Aqueduct costs would be paid by water revenues, relieving tax pressures on the Angelenos—had been proven wrong. Its primary concern had actually been to assure abundant water and hydroelectricity to foster continued economic expansion. Voters were convinced to support the MWD's project with its promises of jobs and prosperity and warned that water shortages would stifle growth. This political climate helped divert public attention from the subtle economic issues of distributing costs and benefits from the aqueduct and from the likelihood of obtaining adequate revenues from water sales.

The frustration of Angelenos over their unfair fiscal burden increased in the 1940s as communities in Southern California experienced a continuous population boom, while at the same time their long-term supply of Colorado River water was challenged by the Republic of Mexico and the State of Arizona. On February 3, 1944, a treaty between the United States and Mexico was signed to guarantee the latter 1.5 million acres per foot of Colorado River water each year. In 1947 Arizona asked Congress to enact the Central Arizona Project to make Colorado River water available for its own use. Fearing that this would reduce its water supply from the Colorado River and create a further subsidy to be paid for by Angelenos, the MWD's Board of Directors proposed annexation as a solution so that its service area

would be enlarged. Under this scheme, new members would pay minimal annexation fees because of their relatively low assessed valuation, but they would be allowed to purchase large amounts of water for development. In the 1950s it appeared that the annexed areas were not contributing to the costs according to the benefits they received, so a conflict arose over whether to include new members to increase water sales or to refrain from further annexation of low-value lands to maintain equitable taxation and the amount of water flowing into the existing District.<sup>26</sup>

The representatives of Los Angeles feared that some new annexations, especially those involving less developed agricultural areas with low assessed valuations, would, as they grew in population and required more services, create a further financial burden on their city, which because of its high property value had already been abundantly taxed without using much Colorado River water. Robert Skinner, a former general manager of the Metropolitan Water District, recalled in 1970 the changing context within which the controversy developed over the District's annexation policy when he said that Metropolitan's "effort of the early '40s was to actually encourage annexations to expand the tax base as an ameliorating measure on the economic side."<sup>27</sup> Some directors foresaw that the continued territorial growth of the District would exert further pressure on making Colorado River water available, so they became apprehensive about the continued viability of service to the original cities in the District.

## V THE 1960s

In the 1960s tension between the city of Los Angeles and the other Southern California communities increased, partly due to the ambitions of the California Department of Water Resources, which was constructing a large state water project. This agency, led by Democratic Governor Edmund G. Brown, warned the city that it was using only half of the available waters from the Owens Valley. "Largely out of fear of losing title to water that it had already acquired," explained Henry Vaux, the city began to construct a second aqueduct from the valley in 1963.<sup>28</sup> This move was not welcomed by the surrounding municipalities, which saw it as an attempt by Los Angeles to leave the District. To take further advantage of Owens Valley water, the city faced another financial burden, so it demanded a reduction in its finan-

cial obligation to the MWD. When criticizing the other MWD members who benefited from the city's disproportionate tax contribution, in 1960 Los Angeles claimed that "all capital costs of the water project [in the District] are borne by [our] taxpayers and that none of such costs are borne by water users."<sup>29</sup>

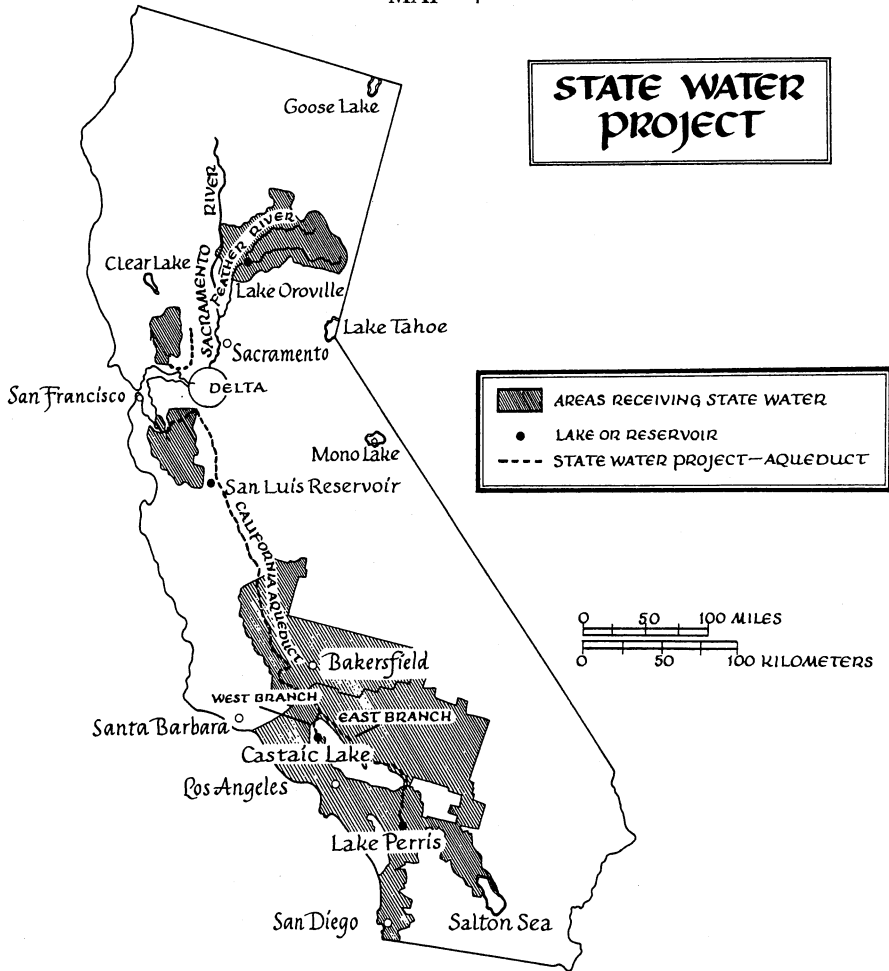
Disagreement within the MWD over the state project surfaced while the West and East Branches, the part of its proposed system to bring water from northern California to the Los Angeles area, were being considered by the state's Department of Water Resources. A large dam on the Feather River at Oroville was to be constructed to store and release water into the Sacramento River, which would flow into the Delta and be pumped through a big canal toward the Tehachapi Mountains to the north of Los Angeles. It would then flow through the Tehachapi Tunnel and be piped into the West Branch through Castaic to the Los Angeles area, while the East Branch would convey water from the tunnel to the San Bernardino Mountains via Antelope Valley to a reservoir at Perris, where the water would be made available to Riverside, San Bernardino, and San Diego counties.<sup>30</sup>

Representing the city of Los Angeles, Chairman of the MWD Board of Directors Joseph Jensen had opposed the East Branch for a decade. He believed that if the West Branch were properly designed to complement the MWD's distribution system, the East Branch would not be necessary. Although he pointed out the East Branch would be in an earthquake-prone area, his main concern was cost, and he accused the State of trying to "saddle the District with the costs of such a branch because other contractors [in San Bernardino and Riverside counties, and some outside the MWD's service area], the ones who would really benefit from this [East Branch] line, were unable to pay for it." It was estimated that the cost of constructing the East Branch would range from \$80 million to as much as \$275 million.<sup>31</sup>

In contrast, for directors outside Los Angeles, including Irwin Farrar who represented Riverside, the issue at stake was water quality, and they assumed that Jensen thought that Los Angeles should be the primary user of the water from the north and that users in Riverside and San Diego Counties would be secondary. Farrar argued that the MWD members except for Los Angeles had to rely on Colorado River water with more salt content: "what was really back of it was forcing the people that would be served by the East Branch to take Colorado River water, and the area in Los Angeles would get all State Water, which is



MAP 4



of higher quality.’’<sup>32</sup>

When discussing the case of the Upper San Gabriel Valley Municipal Water District, Julian Hinds provided another perspective—the clashing values between local autonomy (held by non-MWD members) and efficient centralized planning (by the MWD)—to this problem. Retrospectively, in 1967, he observed that “There are lots of politics involved—states, Metropolitan, and local” and concluded that the Upper San Gabriel Valley Municipal Water District, which had historical-

ly resisted joining the MWD to maintain its local autonomy, could by the construction of the East Branch “have contracts [directly] with the State for water, and they may never need to join Metropolitan.”<sup>33</sup> This district, according to Robert Skinner, was formed in 1959 by the cities of Alhambra, Monterey Park, Azusa, and Sierra Madre “ostensibly with the purpose of preventing annexation to Metropolitan.” These cities were located in an area which had a bountiful water supply from the San Gabriel River and considered themselves to be “very self-sufficient in water supply.” Skinner speculated on the motivation for their refusal to be annexed to the Metropolitan Water District: “It’s possible that the authorities in the four cities thought that financially or economically they could pursue a course of higher advantage by refraining from annexing to MWD, and attempting to exert the maximum autonomy in the local water supply.”<sup>34</sup>

Meanwhile, the State defined the situation from still another perspective, the creation of new customers for the State Project water. The California Department of Water Resources saw a need for water in Antelope Valley, which was outside the Metropolitan’s service area, and wanted to supply its water to the San Bernardino Valley Municipal Water District that had opposed annexation to the MWD since its establishment on January 26, 1954. For its part, the Metropolitan had no desire to compete with the Department, and on April 28, 1964, the third electoral attempt to annex the San Bernardino Valley Municipal Water District to the Metropolitan Water District was defeated by a vote of 14,826 to 11,070.<sup>35</sup>

William E. Warne, the Director of the Department of Water Resources, accused Jensen of being politically ambitious to make the MWD a monopoly in Southern California. He claimed that Jensen wanted to be the only supplier south of the Tehachapis: “Jensen thought that by limiting the amount of water that went through the east branch [*sic*], he could control any spread of water outside the jurisdiction of the Metropolitan Water District of Southern California.”<sup>36</sup> Warne’s boss, Governor Brown, shared this view when he said that the “Metropolitan Water District really wanted to dominate the project” and “they didn’t want the east aqueduct to be built.”<sup>37</sup> The State nonetheless had the final say and in February 1964 Warne announced that, upon the approval of the governor’s office, the East Branch would be built immediately at the expense of both State and Metropolitan.

## VI THE 1970s

The controversies over the Metropolitan's fiscal policies, including water pricing and taxation, continued throughout the 1970s. The taxpayers of Los Angeles thought that they were victims of a disproportionately heavy tax burden to finance the MWD's expenses, and they were correct. During its first twelve years in existence (1929-41), the Metropolitan was unable to receive any revenue from water sales because the Colorado River Aqueduct had yet to be completed, so the District had to rely on taxation. After the Aqueduct was completed, the price of water was set substantially below its actual cost to induce local agencies to join the MWD, and this necessitated a reliance on property taxes for the bulk of its revenue, although this reliance decreased as more water was sold.

Over the years, Los Angeles property owners covered the largest share of the cost of the Colorado River Aqueduct but benefited very little in terms of the amount of water they had received. In 1970, for instance, when the city celebrated the completion of its second aqueduct from the Owens Valley and drew nearly 80% of its water supply from the valley through its own water department, Los Angeles used about 6% of the Colorado River water but paid nearly 27% of the MWD's taxes.<sup>38</sup>

In the early 1970s anger erupted when the Los Angeles City Council refused to approve Metropolitan's contract to supply water to the two agencies east of the MWD in the Coachella Valley, the Desert Water Agency and the Coachella Valley County Water Agency. The terms of the proposed contract would have made possible an exchange of the two agencies' entitlements to water from the State Water Project, 38,100 acre-feet and 23,100 acre-feet respectively, for the same amount of water from the MWD's Colorado River Aqueduct. But they would have continued to pay for their entitlements to State Project water even though they would not receive any. Although opposition arose over the fact that the city would unfairly subsidize the cost of the State Water Project, the MWD saw the proposal as a chance to secure additional water supply sources and to preserve the deteriorating aquifers in the Coachella Valley.

On December 2, 1971, Joseph Jensen, Metropolitan's General Manager, attempted in a 90-minute debate to persuade the angry mem-

bers of the Los Angeles City Council to approve the contract. First he noted that the State Project water from the Feather River would be of a much better quality than the Colorado River water, and then he argued that the MWD would profit by \$50 per acre-foot from the arrangement because the MWD would pay only \$15, the cost of importing the Colorado River water, for the \$65 State Project water. Jensen was vigorously challenged by Councilmen Ernani Bernardi, Donald D. Lorenzen and Robert M. Wilkinson, who contended that the MWD ignored the fact that for Coachella and Desert to get their entitlements to State Project water they had to build delivery facilities estimated to cost as much as \$50 million. Lorenzen charged that the proposal would permit Coachella and Desert to use Colorado River water "without ever having to pay any property taxes to help cover the cost of the construction, operation or maintenance of the aqueduct."<sup>39</sup>

In spite of the council's rejection by a 9-4 vote in December 1971, on March 14, 1972, the water exchange contract was signed. The Los Angeles City Council continued to oppose it. On August 3, 1972, by a 10-3 vote, the council decided to send a protest letter to the U.S. Secretary of the Interior, Rogers C. B. Morton, who was soon to consider approving the contract. In response to this, the MWD's general counsel, John H. Lauten, attributed the city council's opposition to a "disagreement with some of the district's pricing policies" that was strenuously enunciated by Bernardi, for whom the contract was one of many MWD fiscal policies which forced the City to make an inequitable financial contribution to the Metropolitan. Despite the council's protest, Morton approved the contract on December 1, 1972.<sup>40</sup>

Bernardi continued to object and wanted an even lower tax rate than the 15 cents on each \$100 of assessed property values, down from 17 cents, that the city of Los Angeles pressured the Metropolitan into in September 1972. He claimed that Los Angeles taxpayers were forced to assume an unfair tax burden so the water agency could maintain a high reserve fund, thereby subsidizing smaller cities and agricultural communities despite the city's aqueduct from the Sierra Nevada sufficing for its own needs. Bernardi considered both a class action lawsuit against Metropolitan and withdrawal from the MWD. In response, the *Los Angeles Times* editorialized that while the MWD's fiscal policies had been questionable, Bernardi's idea to pull out of Metropolitan was wrong since, even though the city had historically helped the surrounding communities in obtaining water, they had helped the city.

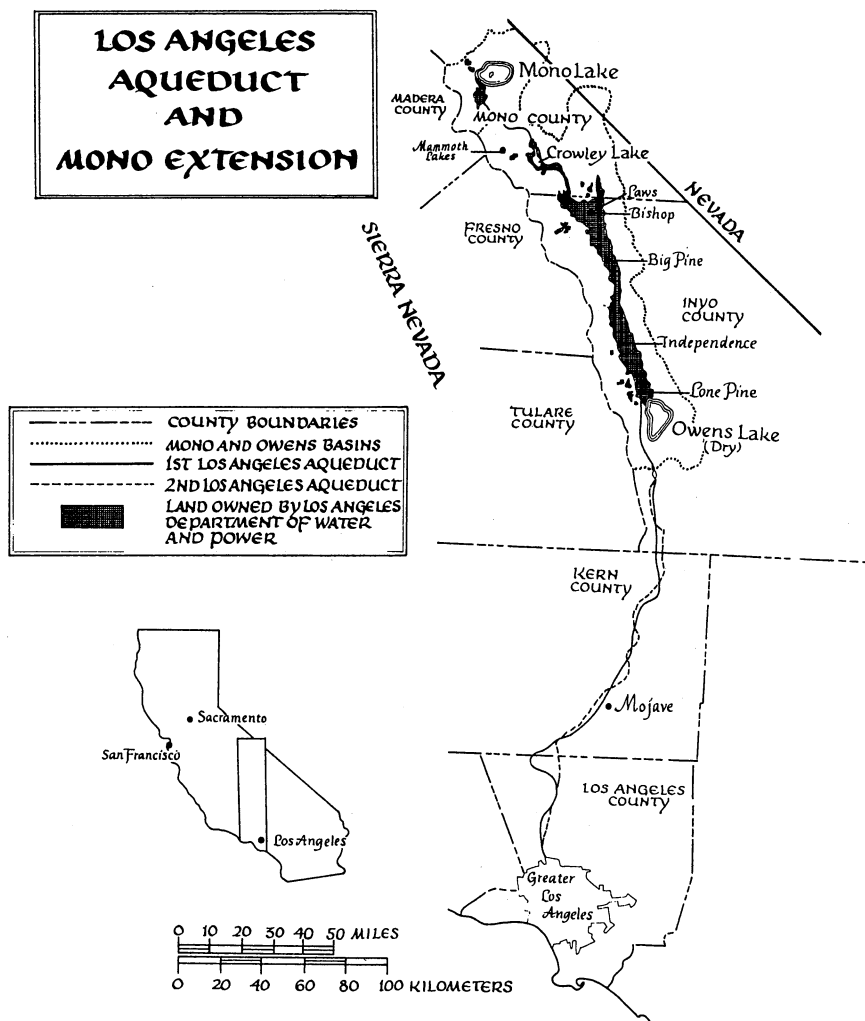
[It] needed and obtained the financial assistance of the rest of Southern California to tap the Colorado and Feather Rivers. An earthquake could cut the Owens Valley water line; legal action and salinity could reduce our share of the Colorado River water. . . . [I]t would be foolhardy and costly to dismantle a regional system that insures the city a continued water supply.<sup>41</sup>

Later in 1972, however, Bernardi's idea to pull out of Metropolitan became unlikely due to a new uncertainty about Los Angeles' water supply from the Owens Valley. To feed water into the second aqueduct which was completed in 1970, the city initiated a massive groundwater pumping program. On November 22, 1972, however, the city faced the possible loss of one-third of its water supply after a suit had been filed to restrict underground pumping operations in the valley in Inyo County. Acting on a complaint filed by Inyo County District Attorney Frank Fowles, who in turn received a temporary restraining order from Inyo County Board of Supervisors, Inyo County Superior Judge Verne Summers prohibited the Los Angeles Department of Water and Power from increasing the flow from its Inyo wells.<sup>42</sup>

Compromise between the MWD and Los Angeles was the only practical solution to maintain a sufficient supply of water for the city. This led to new fiscal policy guidelines being set by MWD Resolutions 7446 (in 1972) and 5821 (in 1973) and Section 238 of the Metropolitan Water District Act (1974), under which costs were classified as "operation, maintenance, power and replacement charges" and were to be covered from water revenues, instead of property taxes. This new policy, without completely relinquishing the right to levy the property tax, was supposed to relieve the concern of the city of Los Angeles, and it was interpreted as a way to reduce "the clamor for reform in the overall pricing policy (i.e., reducing property tax reliance even further)."<sup>43</sup>

The controversy, however, did not come to an end, and in September 1975 the city of Los Angeles and eight of its councilmen filed suit against the MWD and its Board of Directors. The city sought a judicial determination that Metropolitan's allocation of total revenues between taxes and water revenues was erroneous, and further sought a court order compelling the Board to make a legally valid allocation of water and tax rates beginning in fiscal year 1975-76. By June 1977, six of Metropolitan's member agencies and four other public agencies had intervened in opposition to the city's petition and complaint, the matter was at issue but discovery procedures in the case had not yet been com-

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pleted, and the court had scheduled the trial to begin in the fall of 1977.<sup>44</sup>

In the summer of 1977, negotiations were successfully concluded between the Metropolitan and the city of Los Angeles in connection with the lawsuit. The settlement required the District to adopt higher water rates and a lower tax rate, and the Board of Directors took action to adopt the necessary rates on August 17, 1977. In September 1978, the

Board approved the property tax rate, which was reduced to 10 cents for each \$100 of assessed valuation, a two-cent reduction from the 1977–78 rate of 12 cents and the same rate as in 1934–35.<sup>45</sup>

This was a reaction to a “taxpayers’ revolt” that was expressed by passage of the Property Tax Limitation Initiative (Proposition 13), introduced by Howard Jarvis and Paul Gann, in the election of June 1978. One of the most visible critics of MWD’s policies was the citizen’s group CAUSE—Campaign Against Utility Service Exploitation—whose coordinator Tim Brick remarked after the proposition was passed: “Today we are serving notice that we will no longer allow decisions of such magnitude to be made (by the Board of Directors) with little concern for the welfare of the consumer.”<sup>46</sup> He spoke on behalf of numerous critics who contended that the District’s pricing policies should be changed to reduce the tax rate and to rely more on income from water sales.

The general tendency since the 1950s, when neighboring communities began to grow immensely by using Colorado River water that Los Angeles did not, had been for conflict to arise over the interests of Los Angeles and the other members of the MWD. The main factor was that Los Angeles felt that it was asked to shoulder a financial burden disproportionate to its use of the District’s water, and this led to the idea of Los Angeles leaving the District being aired. By the mid 1970s, though, when Los Angeles felt the burden of the extended litigation over the Owens Valley water, “[n]ot only had its independence from the Metropolitan Water District not been increased, the city was now more dependent than ever upon the district’s Colorado supplies.”<sup>47</sup> The city’s attempt to gain water independence was thus defeated by uncertainty over continued supply from the north.

## VII EPILOGUE

This study illustrates the dynamics of metropolitan politics and planning and challenges the notion that Los Angeles dominated the other members of the MWD. Communities surrounding Los Angeles, in fact, have fought against the city’s attempts to control their water destiny, and smaller communities in Southern California have sought to maintain their political and economic autonomy mainly by taking advantage of alternative water supplies from underground or the north. This is a story of metropolitan water politics where there are a series of

policy negotiations and compromises throughout the historical development of the Metropolitan Water District, as well as clashes between those who wanted to reduce the financial burden of Angeleno taxpayers and those who wanted to benefit from the subsidies provided by property owners.

We should note that there was a dilemma within the city of Los Angeles. On the one hand, Angelenos believed that it was important to develop the entire region economically because the prosperity of their city depended upon the successful development of its hinterland, and this would require sharing and subsidizing water. On the other hand, the city believed in protecting the water it had already acquired because it feared that a fixed amount of water from the Owens Valley, the Colorado River, and later further from the north, would not suffice for its own needs, let alone for those of others; this led to arguments against the city subsidizing water that could be used cheaply by other communities.

There is sufficient evidence to suggest that pluralistic decision-making has been an enduring feature of water politics in Southern California. Its metropolitan landscape of numerous communities connected by a maze of lines for utilities, transportation, and communication provides testimony of the pluralistic political context within which the drama of water development and management policies have been played out. By the time it created the Metropolitan Water District, metropolitan Southern California had already developed into a multicentered urban landscape which made it difficult for a "core" city to dominate the "peripheral" communities.

What then is the environmental legacy of the pluralism of Southern California's water politics? The physical manifestations include the aqueducts, storage facilities, and pipes above and under the ground, which have permitted the region to import water from the Owens Valley to the northeast, from the Colorado River to the east, and from the Feather River in Northern California. This water planning history has revealed fundamental attitudes toward natural resources and humanity's domination over them, which have shaped and been shaped by the region's legal and administrative arrangements as well as urban expansion. Reflecting the American perceptions of nature, technology, and progress, grassroots enthusiasm for growth with little or no ecological consciousness eventually brought about detrimental consequences. These attitudes, though slowly changing, are still with us today.



## NOTES

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<sup>1</sup> For literature on the political rivalry between city and suburb, see, for example, Jon C. Teaford, *City and Suburb: The Political Fragmentation of Metropolitan America, 1850-1970* (Baltimore: Johns Hopkins University Press, 1979); and Kenneth T. Jackson, "Metropolitan Government versus Suburban Autonomy: Politics on the Crabgrass Frontier" in *Cities in American History*, ed. Kenneth T. Jackson and Stanley K. Schultz (New York: Alfred A. Knopf, 1972).

<sup>2</sup> James Lee Cox, "The Development and Administration of Water Supply Programs in the Denver Metropolitan Area" (Ph.D. diss., University of Colorado, 1965).

<sup>3</sup> Norris Hundley, Jr., *The Great Thirst: Californians and Water, 1770s-1990s* (Berkeley: University of California Press, 1992), 245.

<sup>4</sup> William Fulton, "Shifting Politics of Water," *Los Angeles Times*, 19 May 1996.

<sup>5</sup> Harvey O. Banks, "California Water Project, 1955-1961" an oral history conducted in 1965 by Gardner M. Brown, Jr. (Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1967), 15.

<sup>6</sup> David L. Clark, "Improbable Los Angeles," in *Sunbelt Cities: Politics and Growth Since World War II*, eds. Richard M. Bernard and Bradley R. Rice (Austin: University of Texas Press, 1983), 268.

<sup>7</sup> Robert M. Fogelson, *The Fragmented Metropolis: Los Angeles, 1850-1930* (Berkeley: University of California Press, 1993), 43-62.

<sup>8</sup> Richard Bigger and James D. Kitchen, *How the Cities Grew: A Century of Municipal Independence and Expansionism in Metropolitan Los Angeles* (Los Angeles: University of California Bureau of Governmental Research, 1952), 26.

<sup>9</sup> Kevin Starr, *Material Dreams: Southern California Through the 1920s* (New York: Oxford University Press, 1990), 3-61.

<sup>10</sup> William L. Kahrl, *Water and Power: The Conflict over Los Angeles' Water Supply in the Owens Valley* (Berkeley: University of California Press, 1982), 17-18.

<sup>11</sup> Hundley, *The Great Thirst*, 149.

<sup>12</sup> Robert Warren, "Changing Patterns of Governmental Organization in the Los Angeles Metropolitan Area" (Ph.D. diss., University of California, Los Angeles, 1964), 153-154; and Vincent Ostrom, *Water and Politics: A Study of Water Policies and Administration in the Development of Los Angeles* (Los Angeles: Hayes Foundation, 1953; New York: Johnson Reprint Corporation, 1972), 169.

<sup>13</sup> *156 Cal. 603.*

<sup>14</sup> Norris Hundley, Jr., *Water and the West: The Colorado River Compact and the Politics of Water in the American West* (Berkeley: University of California Press, 1975), 55-56.

<sup>15</sup> Kazuto Oshio, "Boulder Canyon Act of 1928" in *Encyclopedia of the American West*, eds., Charles Phillips and Alan Axelrod (New York: Macmillan, 1996), 179.

<sup>16</sup> Vincent Ostrom, Robert Bish, and Elinor Ostrom, *Local Government in the United States* (San Francisco: Institute for Contemporary Studies, 1988).

<sup>17</sup> The member states were Arizona, California, Colorado, Nevada, New Mexico,

Utah, and Wyoming.

<sup>18</sup> Legislature of the State of California, 47th Session, *Journal of the Senate* (Sacramento: The Senate, 1927), 1428; *Journal of the Assembly* (Sacramento: The Assembly, 1927), 2412.

<sup>19</sup> "Water District Bill Wins," *Los Angeles Times*, 16 April 1925.

<sup>20</sup> Jerome W. Milliman, "The History, Organization, and Economic Problems of the Metropolitan Water District of Southern California" (Ph.D. diss., University of California, Los Angeles, 1956), 146-147.

<sup>21</sup> "Five to One Majority Given \$220,000,000 Water Issue," *Los Angeles Times*, 30 September 1931.

<sup>22</sup> "Blocking the Aqueduct," *Los Angeles Times*, 28 January 1932.

<sup>23</sup> *The Metropolitan Water District v. J. E. Burney*, 215 Cal. 582 (1932).

<sup>24</sup> "Delay Sought for Aqueduct," *Los Angeles Times*, 24 August 1932; "Aqueduct Victory Won," *ibid.*, 9 November 1932.

<sup>25</sup> Letters from James O. Stevenson to Harry Blaney, 15 November 1937 and 29 November 1937 (Water Resources Center Archive, University of California, Los Angeles).

<sup>26</sup> Irwin Farrar, "Riverside County Water Pioneer" (Department of Special Collections, Oral History Program, University Research Library, University of California, Los Angeles, 1974), 278.

<sup>27</sup> Robert A. Skinner, "Progress of the Metropolitan Water District: Recollection" (Department of Special Collections, Oral History Program, University Research Library, University of California, Los Angeles, 1970), 34.

<sup>28</sup> Henry J. Vaux, Jr., "Growth and Water in the South Coast Basin of California," in *Water and Arid Lands of the Western United States*, eds. Mohamed El-Ashry and Diana Gibbons (Cambridge: Cambridge University Press, 1988), 247.

<sup>29</sup> Metropolitan Water District, *Aqueduct News*, Special Supplement, April 1960, 1.

<sup>30</sup> William M. Jennings, "Water Lawyer" (Department of Special Collections, Oral History Program, University Research Library, University of California, Los Angeles, 1967), 112-113.

<sup>31</sup> Joseph Jensen, "Southern California's Water: Past, Present, and Future," August 1964 (Water Resources Center Archive, University of California, Berkeley); and Jensen, "Developing California's Natural Resources" (Department of Special Collections, Oral History Program, University Research Library, University of California, Los Angeles, 1970), 157-159.

<sup>32</sup> Farrar, "Riverside County Water Pioneer," 180, 193.

<sup>33</sup> Julian Hinds, "Western Dam Engineer" (Department of Special Collections, Oral History Program, University Research Library, University of California, Los Angeles, 1971), 181.

<sup>34</sup> Skinner, "Progress of the Metropolitan Water District," 39-42.

<sup>35</sup> Richard B. Norgaard, "San Bernardino Votes No," 26 May 1964 (Water Resources Center Archive, University of California, Berkeley).

<sup>36</sup> William E. Warne, "Administration of the Department of Water Resources, 1961-1966" an oral history conducted in 1979 by Malca Chall, in *California Water Issues, 1950-1966* (Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1981), 95.

<sup>37</sup> Edmund G. Brown, "The California Water Project 1950-1966" an oral history conducted in 1979 by Malca Chall, in *California Water Issues, 1950-1966* (Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1981), 21.

<sup>38</sup> "Don't Pull Out of the Water District," *Los Angeles Times*, 6 September 1972.

<sup>39</sup> Erwin Baker, "City Council Refuses Contract on Water," *Los Angeles Times*, 3 December 1971.

<sup>40</sup> Erwin Baker, "City Council Raps MWD Water Pact," *Los Angeles Times*, 4 August 1972.

<sup>41</sup> "Don't Pull Out of the Water District."

<sup>42</sup> Ray Hebert, "Suit Threatens L.A. Water Supply," *Los Angeles Times*, 23 November 1972. This eventually led to *County of Inyo v. Yorty*, 32 Cal. App. 3d 793 (1973).

<sup>43</sup> Bruce E. Flaxman, "The Price of Water: Who Pays and Who Benefits? A Policy Study of The Metropolitan Water District of Southern California" (Claremont: Public Policy Studies, Claremont Graduate School, May, 1976), 6.

<sup>44</sup> Metropolitan Water District, *Thirty-Ninth Annual Report: Report for the Fiscal Year, July 1, 1976 to June 30, 1977* (Los Angeles: The Metropolitan Water District, 1977), 123.

<sup>45</sup> Metropolitan Water District, *Forty-First Annual Report: Report for the Fiscal Year, July 1, 1978 to June 30, 1979* (Los Angeles: The Metropolitan Water District, 1979), 17, 62.

<sup>46</sup> Ray Hebert, "Panel Recommends Delay in Water Rate Increase," *Los Angeles Times*, 27 June 1978.

<sup>47</sup> Kahrl, *Water and Power*, 421.