



B E Y O N D

CHINATOWN

THE METROPOLITAN WATER DISTRICT,
GROWTH, AND THE ENVIRONMENT
IN SOUTHERN CALIFORNIA

S T E V E N P . E R I E

BEYOND CHINATOWN

The Metropolitan Water District, Growth,
and the Environment in Southern California

Steven P. Erie
With the Assistance of Harold Brackman

STANFORD UNIVERSITY PRESS
Stanford, California 2006

Stanford University Press

Stanford, California

© 2006 by the Board of Trustees of the Leland

Stanford Junior University. All rights reserved.

No part of this book may be reproduced or transmitted
in any form or by any means, electronic or mechanical,
including photocopying and recording, or in any information
storage or retrieval system without the prior written
permission of Stanford University Press.

Printed in the United States of America

on acid-free, archival-quality paper

Library of Congress Cataloging-in-Publication Data

Erie, Steven P.

Beyond Chinatown : the Metropolitan Water District, growth, and the
environment in southern California / Steven P. Erie ; with the assistance
of Harold Brackman.

p. cm.

Includes bibliographical references and index.

ISBN 0-8047-5139-0 (cloth : alk. paper)—ISBN 0-8047-5140-4 (pbk. :
alk. paper)

1. Sustainable development—California, Southern. 2. Environmental
policy—California, Southern. 3. Water-supply—California, Southern.
4. Metropolitan areas—California, Southern. I. Brackman, Harold David.
II. Title.

HC107.C23E5585 2006

333.91009794'9—dc22

2005032772

Typeset by G&S Book Services in 10/13.5 Sabon

Original Printing 2006

Last figure below indicates year of this printing:

15 14 13 12 11 10 09 08 07 06

**Advance Praise for *Beyond Chinatown:
The Metropolitan Water District and the
Environment in Southern California***

Steve Erie knocks another one out of the ballpark. Having written a superb book on machine politics in *Rainbow's End* and having brought the state back into urban politics in compelling fashion in *Globalizing L.A.*, Erie does path-breaking work once again in his analysis of water politics in *Beyond Chinatown*, showing us the importance of regionalization and how to study it. The second of a trilogy on infrastructure in southern California, Erie's new book is another fascinating saga in how the west was developed.

—Clarence Stone, research professor, George Washington University, and emeritus professor, University of Maryland

Water history is tough to write, and no one has done it better than Steven P. Erie in this fast-paced narrative based on monumental research. I marvel at the multi-faceted inclusiveness of this story of water, region, politics, engineering, growth, and the environment.

—Kevin Starr, professor of history,
University of Southern California

In this path-breaking history of the MWD, Steve Erie brilliantly debunks L.A.'s greatest urban legend and opens bold new perspectives on the secret history of Southern California.

—Mike Davis, professor of urban and environmental history,
University of California, Irvine

Perception may be reality in politics, and water politics are no exception, but perception and mythology are hardly enough to support critical public policy decisions on water for people and the environment. Professor Erie lays out for serious students and average readers alike a compelling study of the perception and reality of the MET and the major figures and events that define it. The history of real life intrigue revealed is worthy of the *Chinatown* title, but there is much more here for today's leaders seeking to find a model of success for regional cooperation and accomplishment.

—Ron Gastelum, former CEO, Metropolitan Water District
of Southern California

In this sweeping history, Erie gives us not only the people, plans and decisions of a public agency that has allowed a semi arid region to take water for granted but the consequences of those decisions that have assisted in the creation of one of the world's great economies. And then, like a scout at the horizon, he confronts the global challenges facing the future of water for this region—indeed, the future of California. *Beyond Chinatown*, indeed. It's a great read and an important book.

—James Flanigan, business and economics columnist,
The Los Angeles Times and The New York Times

This revisionist history of the Metropolitan Water District transforms its long accepted “black hat” to pale gray. Steve Erie solidifies his reputation as the contemporary authority on Southern California water politics with this highly engaging book. It is a must read for everyone interested in water policy.

—Helen Ingram, Warmington endowed chair in social ecology,
University of California, Irvine

This is an extremely important work. . . . State of the art in terms of its research and findings on one of the most important water agencies in the nation.

—Abraham Hoffman, author of *Vision or Villainy:
Origins of the Owens Valley-Los Angeles Water Controversy*

This is a first-rate study. It is valuable both for the important story it tells and for the broader lessons it suggests on the role of government in urban development and on the importance of entrepreneurial leadership in meeting complex public needs.

—Jameson W. Doig, emeritus professor of politics and public
affairs, Princeton University

*To Norton E. Long and Robert V. Phillips,
mentors and friends*

Abbreviations

AEWSD	Arvin-Edison Water Storage District
AF	acre-feet
AMO	Atlantic Multidecadal Oscillation
Bay-Delta	San Francisco Bay/Sacramento–San Joaquin River Delta
CEQA	California Environmental Quality Act
CFBDA	CALFED Bay-Delta Authority
CVP	Central Valley Project
CVPIA	Central Valley Project Improvement Act
CVWD	Coachella Valley Water District
DBCP	dibromochloropropane
DWR	California Department of Water Resources
Eastside	Eastside or Diamond Valley Lake reservoir project
EDF	Environmental Defense Fund
EIS/EIR	Environmental Impact Statement/Report
EPA	U.S. Environmental Protection Agency
ENSO	El Niño-Southern Oscillation
ESG	Economic Study Group
ESP	Emergency Storage Project
FY	fiscal year
GWRS	Groundwater Replenishment System
IID	Imperial Irrigation District
Inland Empire	San Bernardino/Riverside counties
IRP	Integrated Resources Plan
KCWA	Kern County Water Agency
LADWP	Los Angeles Department of Water and Power
MAF	million acre-feet
Metropolitan	Metropolitan Water District of Southern California
MET	Metropolitan Water District of Southern California
MTBE	methyl tertiary butyl ether
MWD	Metropolitan Water District of Southern California
MWDSC	Metropolitan Water District of Southern California
MWDOC	Municipal Water District of Orange County

NAFTA	North American Free Trade Agreement
NDMA	<i>n</i> -Nitrosodimethylamine
NOAA	National Oceanic and Atmospheric Administration
PDO	Pacific Decadal Oscillation
PERC	perchloroethylene
PPB	parts per billion
PVID	Palo Verde Irrigation District
QSA	Quantification Settlement Agreement
SANDAG	San Diego Association of Governments
SCAG	Southern California Association of Governments
SDCWA	San Diego County Water Authority
SDG&E	San Diego Gas & Electric Company
SNWA	Southern Nevada Water Authority
SWP	State Water Project
TCE	trichloroethylene
TVA	Tennessee Valley Authority
UWMP	Urban Water Management Plan
VOC	volatile organic compound
YCWA	Yuba County Water Agency

Preface

In Roman Polanski's celebrated 1974 *noir* movie, *Chinatown* is more a metaphor for crime and conspiracy than an actual place on the map. Polanski's film—a convoluted tale of secretive, corrupt water politics in Los Angeles—ends with a famous shrug: “Forget it, Jake—it’s Chinatown.” Challenging the conventional wisdom conveyed by that cynical shrug, this study looks beyond the mythic *Chinatown* to chronicle the remarkable public saga of the Metropolitan Water District of Southern California. Metropolitan (also known as MWD, MWDSC, or MET) is the region’s giant water wholesaler and policymaker, now serving over 18 million customers. Its powerful sway radiates far beyond its L.A. headquarters building on Alameda Street—which, ironically, casts its shadow over what was once the historic Chinatown district. Yet *Chinatown*’s seductive mythologies help obscure MWD’s authentic, instructive history.

Having lived nearly all of my life in Southern California, I have had a front-row seat for viewing the region’s complex water politics. I was born, raised, and educated in Los Angeles and for the past 25 years have lived in San Diego. Los Angeles and San Diego—MWD’s two largest member agencies—long have battled for control of this semiarid region’s “liquid gold.” Early on, Los Angeles dealt itself nearly all the trump cards. Under the visionary leadership of William Mulholland, who brought water to the city in 1913 from the faraway Owens Valley and later played



a crucial role in creating MWD, Los Angeles assured itself a reliable water supply into the 21st century.

Not so San Diego, which faces a bleaker water future in part because it never built an aqueduct of its own to deliver its Colorado River water allotment. Urged by the federal government to join Metropolitan at the end of World War II, San Diego still depends on MWD to meet most of its water needs; some fear a lengthy drought could reduce San Diego's water lifeline to a trickle. Impelled by this nightmare scenario as well as by colonial resentment of its seemingly imperious northern neighbor, the San Diego County Water Authority in the early 1990s embarked on what critics saw as a costly and quixotic quest for water independence from MWD and L.A. This and other epic water battles are chronicled here.

This study of Metropolitan's growing and contested water empire has had an unusually long gestation period. In graduate school at UCLA, my interest in the role played by public bureaucracies and infrastructure in Southern California's remarkable growth first surfaced in coursework with Professors Francine Rabinovitz, John C. Bollens, Chuck Ries, and Stephan Thernstrom. Yet not until the early 1990s did I embark on the systematic study of the region's "crown jewels"—the publicly built-and-managed megaprojects that include the L.A. Aqueduct, the Colorado River Aqueduct, State Water Project, the San Pedro Bay ports, Los Angeles International Airport—and their catalytic roles in the region's improbable 20th-century development. *Beyond 'Chinatown'* is the second in a trilogy of "crown jewels" projects. It was preceded by *Globalizing L.A.*, an analysis of regional trade and infrastructure development, and will be followed by *Mulholland's Gift*, a reexamination of L.A.'s storied but still controversial Department of Water and Power.

I wish to thank an able corps of University of California at San Diego graduate students for research and kindred assistance: Craig Burnett, Jim Ingram, Henry Kim, Michael Lloyd, Scott MacKenzie, Susan Shaler, David Shirk, and Tony Smith. Scholars and practitioners kindly read—and improved—earlier drafts of the manuscript. I want to thank Gary Arant, Fred Barker, Carl Boronkay, Lin Burzell, Jim Doig, Paul Engstrand, Tom Erb, Ron Gastelum, Duane Georgeson, Jerry Gewe, Abraham Hoffman, Annette Hubbell, Sam Kernell, LeVal Lund, Dave Oliphant, Marion Orr, Robert V. Phillips, Greg Quist, Jim Wickser, and Howard Williams for their valuable comments and suggestions.

Greg Freeman provided first-rate research help on chapters 1 and 7. My most profound debt is owed to my long-time friend Harold Brackman, who made a vital contribution to this study. I could not have completed this without his invaluable research assistance.

I would like to express my deep appreciation to the Metropolitan Water District of Southern California and its member agencies for their generous cooperation and assistance. MWD's Jennifer Sharpe and Tenille Otero of the San Diego County Water Authority provided invaluable help in locating photographs. I also am grateful to the individuals interviewed, who gave so freely of their time and effort. Further, I wish to express my gratitude for the assistance provided by the MWD, UCLA, and Huntington libraries. I owe a special thanks to the John Randolph Haynes and Dora Haynes Foundation for underwriting much of the research for this book. Project support also was furnished by the University of Southern California's Southern California Studies Center, the James Irvine Foundation, and UC San Diego.

Finally, I want to thank two extraordinary mentors and friends who deepened my appreciation and understanding of public bureaucracy and its role in urban development. One was a preeminent scholar; the other, an extraordinarily able practitioner. The late Norton E. Long was one of the premier students of public administration and bureaucracy. I was privileged to have Norton as an early guide. He encouraged me to undertake studies such as this, though always insisting that the *cui bono* question—who ultimately benefits?—be asked. Much of what I know about the region's water issues was learned from Robert V. Phillips, the gifted former general manager and chief engineer of the Los Angeles Department of Water and Power. A dedication is small reward for the insight and wisdom Norton and Bob so generously imparted.

Steven P. Erie
La Jolla, California
February 2006

BEYOND *CHINATOWN*

Contents

List of Tables, Figures, and Photos	ix
List of Abbreviations	xiii
Preface	xv
PART I: Overview and Historical Development	1
1 Mighty Metropolitan	3
2 Ghosts of <i>Chinatown</i> : From L.A.'s DWP to MWD	29
3 Building and Financing an Empire: Balancing Growth and Equity	54
PART II: Mounting Challenges, 1990–2004	95
4 David and Goliath? San Diego's Quixotic Quest for Independence	97
5 Empire Under Siege: Colorado River and Bay-Delta Battles	133
6 Turbulent Waters? Metropolitan Faces Water Markets	169
PART III: At the Crossroads	205
7 MWD Agonistes: 21st-Century Challenges	207
8 Charting a New Course	239
Notes	267
Index	337

Tables, Figures, and Photos

Tables

1.1	The Metropolitan Service Area in Global Perspective: Countries Ranked by Year 2002 Gross Domestic Product	9
1.2	Profile of MWD Member Agencies	12
7.1	Estimated MWD Water Demand, 2025	211
7.2	Population Projections for Colorado River Basin States (excluding California), 2000–2030 (millions)	214

Figures

1.1	Aqueducts Serving Southern California	8
1.2	MWD Member Agencies and Service Area	11
3.1	MWD Revenue Contributions (in 2003 dollars), 1929–2003	61
3.2	Components of Total MWD Revenue Collected (in current nonadjusted dollars), 1929–1970 and 1971–2003	63
3.3	LADWP Share of Total MWD Revenue versus Capital Projects Expenditures, FY 1933–FY 2003	66
3.4	Unit Cost (in 2003 dollars) per Acre-Foot of MWD Water Delivered, by Counties and the City of Los Angeles, 1929–2003	66
3.5	Types of MWD Financial Contributions (in 2003 dollars) per Acre-Foot of MWD Water Delivered, by Counties and the City of Los Angeles, 1929–2003	68
3.6	Estimated Subsidies (in 2003 dollars), by Counties and the City of Los Angeles, 1929–1970 and 1971–2003	69

3.7	Unit Cost (in 2003 dollars) per Acre-Foot of MWD Water Delivered, by Counties and the City of Los Angeles, 1929–1970 and 1971–2003	70
3.8	Average Annual Population Growth Rate, by Counties and the City of Los Angeles, 1929–1970 and 1971–2003	76
3.9	Unit Cost (in 2003 dollars) per Acre-Foot and Population Growth Rate, City of Los Angeles, Orange and San Diego Counties, 1929–1970 and 1971–2003	77
3.10	Correlation Between Water Subsidy Index and Population Growth Rate by MWD Member Agency, 1929–1970	78
3.11	Correlation Between Water Subsidy Index and Population Growth Rate by MWD Member Agency, 1971–2003	79
4.1	Los Angeles and San Diego Preferential Rights	124
7.1	Southern California Population Projections, 2000–2050 (millions)	209
7.2	California Population Projections, 2000–2050 (millions)	213
7.3	Historical Supply and Demand on the Colorado River, 1935–2003	215
7.4	Water Storage Levels for Western States, Reservoir Storage as of May 2005 (preliminary)	217

Photos

1.	William Mulholland, first general manager, Los Angeles Department of Water and Power	84
2.	First MWD board of directors	85
3.	Joe Jensen, Los Angeles MWD director and long-serving MWD board chair	86
4.	Fred Heilbron, San Diego MWD director and long-serving San Diego County Water Authority board chair	87

5.	Building the Colorado River Aqueduct	88
6.	Colorado River Aqueduct	89
7.	Hoover Dam	90
8.	Parker Dam	91
9.	Parker intake plant	91
10.	California Aqueduct/State Water Project	92
11.	The Bay Delta	93
12.	Diamond Valley Lake Reservoir	94

I *Overview and Historical Development*