

ORAL HISTORY INTERVIEW

Robert Lee Kelso



STATUS OF INTERVIEW:
OPEN FOR RESEARCH



Interview Conducted and Edited by:
Donald B. Seney in 1995
California State University-
Sacramento
Bureau of Reclamation's
Newlands Project Oral History Series



Interview desktop published–2020

Oral History Program
Bureau of Reclamation
Denver, Colorado

SUGGESTED CITATION:

Kelso Robert Lee, *Oral History Interview*.
Transcript of tape-recorded Bureau of Reclamation
oral history interview conducted by Donald B.
Seney. Edited by Donald B. Seney and desktop
published by Andrew H. Gahan, historian, Bureau
of Reclamation. Repository for the record copy of
the transcript is the National Archives and Records
Administration in College Park, Maryland, or in the
regional office in the Denver, Colorado, area.

Record copies of this transcript are printed on 20 lb., 100%
cotton, archival quality paper. All other copies are printed
on normal duplicating paper.

Table of Contents

Table of Contents	i
Statement of Donation	iv
Editorial Convention.	vi
Introduction.	viii
Oral History Interview	1
Moving to Nevada	1
Serving on the Fernley Town Board.	2
The Water Issue Becomes Important	6
The Formation of "FACTS"	8
The Formation of the Lahontan Valley Environmental Alliance	12
Interests of TCID and the Interests of the People of Fernley Differ	14
LVEA Prepares for the Settlement II Negotiations	17
Recruiting People to Join LVEA	22
Federal Officials Unhappy with LVEA Organization	29
LVEA Gave Voice to Water Users and Others with an Interest in Newlands Project Water	32
Agreeing on LVEA Negotiating Positions	33
Factors that Set Fernley Apart	35
Building Rapport with Various Groups Through the	

Negotiations 42

Percentage of Fernley Residents Connected to the
Utility System 43

The Truckee Canal as a Source of Water for Fernley
. 45

Meeting with the Pyramid Lake Tribe Over Water
Problems 47

The Leadership of the Pyramid Lake Tribe 51

Fernley Has More Options Than Fallon 53

The Settlement II Negotiations 56

The Fallon Tribe 57

The Pyramid Lake Tribe 59

The Real Impact of Public Law 101-618 60

Fernley Ordinance Aimed at Keeping Water Rights
in the Town 61

More on the Settlement II Negotiations 63

What Caused the Negotiations to Fail 66

The November 1994 Congressional Elections . . . 68

Back to the Settlement II Negotiations 71

Problems Agreeing on Models for the River System
. 74

Role of Project Farmers as Negotiations Proceeded
. 77

The Role of Senator Harry Reid 79

What is an Ecosystem Along the Rivers and
Canals? 80

The Role of the Environmental Community. 81

Sue Oldham of Sierra Pacific Power 83

Negotiations Failed But There were Positive Effects
. 85

Recreation on Lake Lahontan 87
The Town of Fernley has Instituted a Well Head
Protection Program 89
The Value Personally of the Negotiations and
Serving on the Town Board 90

Statement of Donation

STATEMENT OF DONATION OF ORAL HISTORY INTERVIEW OF ROBERT LEE KELSO

1. In accordance with the provisions of Chapter 21 of Title 44, United States Code, and subject to the terms, conditions, and restrictions set forth in this instrument, I, ROBERT LEE KELSO, (hereinafter referred to as "the Donor"), of FERNLEY, NEVADA do hereby give, donate, and convey to the National Archives and Records Administration (hereinafter referred to as "the National Archives"), acting for and on behalf of the United States of America, all of my rights and title to, and interest in the information and responses (hereinafter referred to as "the Donated Materials") provided during the interview conducted on OCTOBER 9, 1995, at FERNLEY, NEVADA and prepared for deposit with the National Archives and Records Administration in the following format: tape recording and transcript. This donation includes, but is not limited to, all copyright interests I now possess in the Donated Materials.
2. Title to the Donated Materials remains with the Donor until acceptance of the Donated Materials by the Archivist of the United States. The Archivist shall accept by signing below.
3.
 - a. It is the intention of the Archivist to make Donated Materials available for display and research as soon as possible, and the Donor places no restrictions upon their use.
 - b. The Archivist may, subject only to restrictions placed upon him by law or regulation, provide for the preservation, arrangement, repair, and rehabilitation, duplication, and reproduction, description, exhibition, display, and servicing of the Donated Materials as may be needful and appropriate.
 - c. For Donated Materials with restrictions, the National Archives will provide access to the Bureau of Reclamation, if the Bureau of Reclamation presents written permission of the Donor specifying the types of information and proposed uses of said information.
4. Copies of the Donated Materials that do not have Donor restrictions on their use, may be deposited in or loaned to institutions other than the National Archives, including the Bureau of Reclamation. Copies of unrestricted Donated Materials may also may be provided to researchers. The Bureau of Reclamation may retain copies of tapes, transcripts, and other materials if there are no Donor restrictions on their use, and Reclamation may obtain copies of tapes, transcripts, and other materials at the time that Donor restrictions on the use of the materials ends.
5. The Archivist may dispose of Donated Materials at any time after title passes to the National Archives.

Date: 10/9/95

Signed: 
ROBERT LEE KELSO

INTERVIEWER: DONALD B. SENEY

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

Date: _____

Signed: _____
Archivist of the United States

Editorial Convention

A note on editorial conventions. In the text of these interviews, information in parentheses, (), is actually on the tape. Information in brackets, [], has been added to the tape either by the editor to clarify meaning or at the request of the interviewee in order to correct, enlarge, or clarify the interview as it was originally spoken. Words have sometimes been struck out by editor or interviewee in order to clarify meaning or eliminate repetition. In the case of strikeouts, that material has been printed at 50% density to aid in reading the interviews but assuring that the struckout material is readable.

The transcriber and editor also have removed some extraneous words such as false starts and repetitions without indicating their removal. The meaning of the interview has not been changed by this editing.

While we attempt to conform to most standard academic rules of usage (see *The Chicago Manual of Style*), we do not conform to those standards in this interview for individual's titles which then would only be capitalized in the text when they are specifically used as a title connected to a name, e.g., "Secretary of the Interior Gale Norton" as opposed to "Gale Norton, the secretary of the interior;" or "Commissioner John Keys" as opposed to "the commissioner, who was John Keys at the time." The convention in the Federal government is to capitalize titles always. Likewise formal titles of acts and offices are

capitalized but abbreviated usages are not, e.g., Division of Planning as opposed to "planning;" the Reclamation Projects Authorization and Adjustment Act of 1992, as opposed to "the 1992 act."

The convention with acronyms is that if they are pronounced as a word then they are treated as if they are a word. If they are spelled out by the speaker then they have a hyphen between each letter. An example is the Agency for International Development's acronym: said as a word, it appears as AID but spelled out it appears as A-I-D; another example is the acronym for State Historic Preservation Officer: SHPO when said as a word, but S-H-P-O when spelled out.

Introduction

In 1988, the Bureau of Reclamation created a History Program. While headquartered in Denver, the History Program was developed as a bureau-wide program.

One component of Reclamation's History Program is its oral history activity. The primary objectives of Reclamation's oral history activities are: preservation of historical data not normally available through Reclamation records (supplementing already available data on the whole range of Reclamation's history); making the preserved data available to researchers inside and outside Reclamation.

In the case of the Newlands Project, the senior historian consulted the regional director to design a special research project to take an all around look at one Reclamation project. The regional director suggested the Newlands Project, and the research program occurred between 1994 and signing of the Truckee River Operating Agreement in 2008. Professor Donald B. Seney of the Government Department at California State University - Sacramento (now emeritus and living in South Lake Tahoe, California) undertook this work. The Newlands Project, while a small- to medium-sized Reclamation project, represents a microcosm of issues found throughout Reclamation:

- water transportation over great distances;
- limited water resources in an urbanizing area;
- three Native American groups with sometimes

- conflicting interests;
- private entities with competitive and sometimes misunderstood water rights;
- many local governments with growing urban areas and water needs;
- Fish and Wildlife Service programs competing for water for endangered species in Pyramid Lake and for viability of the Stillwater National Wildlife Refuge to the east of Fallon, Nevada;
- and, Reclamation's original water user, the Truckee-Carson Irrigation District.

Reclamation manages the limited water resources in a complex political climate while dealing with modern competition for some of the water supply that originally flowed to farms and ranches on its project.

Questions, comments, and suggestions may be addressed to:

Andrew H. Gahan
Historian
Environmental Compliance Division (84-53000)
Policy and Programs
Bureau of Reclamation
P. O. Box 25007
Denver, Colorado 80225-0007

For additional information about Reclamation's History Program see: www.usbr.gov/history

(Intentionally Blank)

**Oral History Interview
Robert Lee Kelso**

Seney: Today is October 9, 1995. My name is Donald Seney. I'm talking with Robert Kelso in his home in Fernley, Nevada. This is Session 1, Tape 1. Good evening, Bob.

Kelso: Good evening.

Moving to Nevada

Seney: I appreciate your giving me some time this evening. I know you've worked hard all day, but this will give you a chance maybe to express some of your views and information and feelings about the project. Tell me, first of all, how you got to Fernley. Are you a Nevada native?

Kelso: No, I'm not. I first moved to Nevada in 1962, I believe it was. I lived in Elko for a while and then moved to Yerington. I got married in 1964.

Seney: When were you born, by the way?

Kelso: I was born in Wyoming.

Seney: And when?

Kelso: August 1937.

Seney: If you could even give us the date, we sort of want that.

Kelso: August 2, '37. My wife and I left Yerington and moved to a little town in Northern California and lived there for about a year and then moved back to Utah. I lived there for ten years and we moved back to Reno and then to Fernley in 1980. I spent about a year on the Fernley Town Board at that time.

Serving on the Fernley Town Board

Seney: You mean in 1980, as soon as you got here, you were pretty quickly elected?

Kelso: In '81. I was appointed by the Lyon County Commission.

Seney: How did that happen so quickly that you would be appointed to the board?

Kelso: It's hard to get people to volunteer their time. There's a tremendous need in these little communities for people to get active and we've had some good successes out here in the last fifteen years.

Seney: Were you active in the other communities you lived in? (Kelso: No.) What made the difference in Fernley?

Kelso: The fact that we had bought a business and I was home basically every day. Previous to that I had driven truck from Salt Lake into the Midwest and was gone three or four days at a time and home ten or twelve hours and gone again. So, it didn't leave a lot of time for those kinds of things. (Seney: Council meetings.) Yeah. When you live like that, your wife becomes mother and father to the kids, and so you try to spend as much time with them as you can at that point in time.

Well, when I got out here, both of us were home all day, or all night at least, and our kids were getting up to the size where they were getting self-sufficient, one was in high school. So, I decided that I liked this community, and I wanted to pay back some of the things that some of the places that I'd lived had provided. So, I felt this was the thing that I should do, was do a little volunteering.

So, I think I was on the board about a year and I got off. [In] 1989, there was a position came up again, and in the meantime, they had

changed from a town to an unincorporated town.

Seney: The first board would have been an advisory board, to the county, then?

Kelso: Yes, it was an advisory board. If I remember right, there were three Fernley residents on that board and two Lyon County Commissioners and that was how it was formed. Later on, in 1985 or '86, I believe it was, it became an unincorporated town and the town board members were all elected from the community and there's five of us.

Seney: Did you run then for election in '89?

Kelso: No, I was appointed again. The County Commission appointed me again. Then, I can't remember whether it was '89 or '90, they had an election and I won my election. I think I've been elected three times now.

Seney: Two year terms?

Kelso: Well, the state changed things around. It was going to be three years and then they changed it to four years.

Seney: Ah, so every time they changed it, then there would be new elections in a sense?

- Kelso: Yes, yes. That's why it worked out to be three elections in actually, six years.
- Seney: So you have a five-member board? (Kelso: Yes.) Now, you just had a knock on the door, I take it this is one of your constituents?
- Kelso: No, this was one of the County Commissioners (Seney: Okay.) who's representative to the Lyon County Commission.
- Seney: Oh, I see, okay. Because it wouldn't be unusual, would it, for a constituent to call you on the phone at home or come to your door?
- Kelso: No. They don't come to the door very often but I do receive phone calls regularly.
- Seney: Was this Kathy Jensen? (Kelso: Yes.) Yes, I've heard her name. She's, I know, been interested in the water questions too and was an observer at the negotiations.
- Kelso: Yes, she was very active and she's been a great help with Fernley's problems in Yerington, getting county support.
- Seney: Yerington's the county seat?

The Water Issue Becomes Important

Kelso: Yes, right. I guess right after I got on the board in 1989 or 1990, we started taking a look at what was going on with the water situation.

Seney: Right, I wanted to ask you when did that become an issue for you?

Kelso: About 1990, I would think.

Seney: What brought it to your attention?

Kelso: Well, we were sitting around, [the] utility manager and the chairman of the board at that time and myself and Rebecca [Harold, Fernley Town Attorney],¹ and we were working on testimony for Congress. We wound up going back to Washington and our written testimony was given.

Seney: Was this the February 1990 hearings on (Kelso:

¹ Rebecca Ann Harold participated in Reclamation's Newlands Series oral history project. See, Rebecca Ann Harold, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation Oral History Interview conducted by Donald B. Seney, edited by Donald B. Seney, and desk-top edited and published by Andrew H. Gahan, historian, Bureau of Reclamation, 2012, www.usbr.gov/history/oralhist.html.

Yes.) what became Public Law 101-618?²

Kelso: Yes, that's when it was. But anyway, we were all sitting around trying to put together something that was coherent and would make sense to the people back there, and we got to thinking about where we were geographically in this whole process. The fact that the Truckee River is just over the hill here. The fact that the Newlands

2 Public Law 101-618 became law on November 16, 1990. The Law contains two acts: The Fallon Paiute-Shoshone Tribal Settlement Act and the Truckee-Carson-Pyramid Lake Water Rights Settlement Act. The main topics of the legislation are:

- Fallon-Paiute Tribal Settlement Act
- Interstate Allocation of water of the Truckee and Carson rivers.
- Negotiations of a new Truckee River Operating Agreement (TROA).
- Water rights purchase program is authorized for the Lahontan Valley wetlands, with the intent of sustaining an average of about 25,000 acres of wetlands.
- Recovery program is to be developed for the Pyramid Lake cui-ui and Lahontan cutthroat trout.
- The Newlands Project is re-authorized to serve additional purposes, including recreation, fish and wildlife, and municipal water supply for Churchill and Lyon counties. A project efficiency study is required.
- Contingencies are placed on the effective date of the legislation and various parties to the settlement are required to dismiss specified litigation.

Source: [http://www.usbr.gov/mp/lboa/public law 101-618.html](http://www.usbr.gov/mp/lboa/public%20law%20101-618.html)
(Accessed December 2011).

Project³ goes right through our community, and its actually the lifeline of agriculture in this area as well as in Fallon. So, we decided that we not only were involved in it, but we were geographically right in the middle of this thing. And the fact that that canal goes through our community and is largely responsible for the recharge for our domestic water system.

Seney: Had T-C-I-D [Truckee-Carson Irrigation District] gotten hold of you and encouraged you maybe to take an interest? Do you recall?

Kelso: No, no they didn't.

Seney: I mean, I can understand it if they did.

The Formation of "FACTS"

Kelso: Yes. We have a good rapport with the T-C-I-D board and the Fernley Town Board and the Churchill County Commissioners and the

³ Authorized by the Secretary of the Interior March 14, 1903, the Newlands Project was one of the first Reclamation projects. It provides irrigation water from the Truckee and Carson Rivers for about 57,000 acres of cropland in the Lahontan Valley near Fallon and bench lands near Fernley in western Nevada. In addition, water from about 6,000 acres of project land has been transferred to the Stillwater National Wildlife Refuge near Fallon. For more information see, Wm. Joe Simonds, "The Newlands Project," Denver: Bureau of Reclamation History Program, 1996, www.usbr.gov/projects/pdf.php?id=142.

Council in Fallon. So, we all decided that we needed to get together and form this group. At that time it was called FACTS, F-A-C-T-S, was the name of it. It was the Fair Allocation of the Carson Truckee Systems, at that time. Storey County was involved in it, and I can't remember who all at that time.

Seney: Washoe County Water Conservation District, were they in?

Kelso: They may have been, but they weren't directly involved in this FACTS coalition. They have been some great help, though, to us. They've donated money to take a look at different aspects of the [problem].

Seney: I guess I'm kind of curious as to what specific thing—I guess in my mind it's always something specific, a specific threat or something like that. I know Senator Harry Reid⁴ was busy at this point

⁴ Senator Harry M. Reid served the state of Nevada in the U.S. Senate from 1987 to 2017. Senator Reid also participated in Reclamation's Newlands Series oral history project. See, Harry Reid, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation Oral History Interview conducted by Donald B. Seney, edited by Donald B. Seney and further edited and desktop published by Brit Allan Storey, senior historian, Bureau of Reclamation, 2013, www.usbr.gov/history/orallhist.html.

and the Pyramid Tribe and Sierra Pacific Power had been negotiating what came to be called the Preliminary Settlement Agreement that then resulted in 101-618—was it all these things going on (Kelso: Yes.) at once kind of that brought it up to your attention?

Kelso: That was *exactly* what brought it to our attention. The fact that the federal government was so deeply involved out here in looking at moving water around. By state statute, you better be willing to go through the state engineer if you're going to move water from one place to another. So, that was exactly why we started paying attention to what was going on. And we had a tough time when we first started. We had people telling us we weren't welcome at their meetings.

Seney: Who told you that?

Kelso: I can't think of his name, he's a surveyor. I'll think of it here, I can see his face. Anyway, he worked for an engineering firm in Reno, and he was working between this engineering firm and the power company and the federal government, trying to get this thing put together so that they could get some water and buy water and move it or whatever. I don't know that they actually wanted to *take* water, but our feeling is they *have* taken water.

Seney: Were these the storage agreements over Stampede Reservoir⁵ between the tribe and Sierra Pacific?

Kelso: Right. The storage agreements were involved, it didn't seem like T-C-I-D was able to do anything that was going to help the users down here. And this project is rather unique, as far as water and federal projects are concerned. Not only was it the *first* one, but it was one of those that the individual water user owned the water.

Seney: Right. They haven't done that since, I don't think.

Kelso: No, no they haven't. Not to the extent that this one is. I think there's some smaller ones where they may have some, but the majority of them are not: The federal government owns the water and the system and they contract water to these

5 Completed in 1970 as a primary feature of the Washoe Project, Stampede Dam is a rolled earth and rock-filled structure is 239 feet high and 1,511 feet long. The water storage capacity of the reservoir is 226,500 acre-feet which is reserved by court decree for fishery enhancement, primarily for the spawning of the endangered cui-ui, along the Truckee River downstream from Derby Dam and facilities operation of the Pyramid Lake Fishway. For more information on the Washoe Project see, Carolyn Hartl, "Washoe Project," Denver: Bureau of Reclamation History Program, 2001, www.usbr.gov/projects/pdf.php?id=208.

other people.

Seney: You know, as I do, that T-C-I-D—for whatever reason, depending on who you talk to the story varies—kind of got a bad reputation in terms of the other players in all of this, being unwilling to negotiate and so forth. You know what I'm talking about here? (Kelso: Sure.) Was this all part of it too, the reason that you all got organized to maybe provide a different forum for negotiations because of this attitude toward T-C-I-D, you think?

Kelso: Yes, that was part of it. The fact that we'd gone beyond the FACTS coalition at that time, after we had testified in Washington and we decided that we weren't getting where we wanted to be.

Seney: You didn't testify, did you, in Washington? (Kelso: No, no.) You did in Reno (Kelso: Yes.) in December of '93 you testified. (Kelso: Yes.) But not in the April 94 hearings.

The Formation of the Lahontan Valley Environmental Alliance

Kelso: No. And that '93 hearing was after this L-V-E-A [Lahontan Valley Environmental Alliance] was formed and put together. The attitude was that T-C-I-D was belligerent. They didn't want to

negotiate. I don't happen to believe that that was all true. I'm sure that there was *some* reason that people felt that way.

Seney: It depends on who you are (Kelso: Sure.) and where you stand and where you see it. Yeah, that's one of the things we're getting here is all these different perspectives, and somebody in the future can sort it all out (Kelso: Sure.) and decide what's right.

Kelso: We decided—I say "we"—the Town of Fernley was involved and Churchill County was involved and the City of Fallon, two conservancy districts in Churchill County were involved as well as T-C-I-D was involved. We sat down and talked about this among ourselves and decided that with T-C-I-D's reputation as it was, it probably would be a good idea for us to form an independent group, even though T-C-I-D was involved in it. And have a spokesperson or spokes-organization who was going to take these needs and wishes to the federal government, wherever, either the bureaucrats or the politicians or whatever needed to be done. But we felt that we could probably do a little better job of it because of T-C-I-D's reputation. So that's how we got going here.

Seney: And this is forming the Lahontan Valley

Environmental Alliance? (Kelso: Yes.) Of which you are the chairman still?

Kelso: No, I was (Seney: You were during the negotiations?) last year. Uh-huh.

Interests of TCID and the Interests of the People of Fernley Differ

Seney: You know, one of the things that as an outsider I look at and wonder about is, that the interests of T-C-I-D and the farmers on the project are not, it seems to me, always going to be the same as the interests, say, as the people in Fernley (Kelso: That's true.) or the people in the City of Fallon itself. (Kelso: That's true.) Was this in your thinking too as you formed the Lahontan Valley Environmental Alliance? Because for years you had T-C-I-D always doing the negotiating, representing the water right holders—which you could understand that they would do—but no one else would be at the table at all. Were you thinking along those lines (Kelso: Yes.) when you formed the Alliance?

Kelso: Yes, that was probably the *main* reason we did that, because in reality, the litigation was getting so expensive that, T-C-I-D being a contractor—and that's basically all they are is contractor on the project—that these other entities

were separate and distinct and needed representation and T-C-I-D agreed. They were a big supporter of this.

Seney: There was no real problem with Ted de Braga [President, Board of Directors, TCID]⁶ or Lyman McConnell [Manager, TCID]⁷ or any of the other influential people in the district?

Kelso: No. As a matter of fact, Ted and Lyman both attended the early meetings to form this Alliance. It seems like a strange alliance. Although if you take a look at what goes on from Derby Dam⁸ to

⁶ Ted de Braga participated in Reclamation's Newlands Series oral history project. See, Ted de Braga, *Oral History Interviews*, Transcript of tape-recorded Bureau of Reclamation Oral History Interviews conducted by Donald B. Seney, Bureau of Reclamation, August 5 and 11, 1994, in Fallon, Nevada, edited by Donald B. Seney, www.usbr.gov/history/oralhist.html.

⁷ Lyman McConnell participated in Reclamation's Newlands Series oral history project. See, Lyman McConnell, *Oral History Interviews*, Transcript of tape-recorded Bureau of Reclamation Oral History Interview conducted by Donald B. Seney, edited by Donald B. Seney and desktop published by Andrew H. Gahan, historian, Bureau of Reclamation. 2018, www.usbr.gov/history/oralhist.html.

⁸ Authorization for construction in 1903, Derby Dam is a diversion dam on the Truckee River, located between Reno and Fernley in Storey and Washoe counties in Nevada was completed in 1905. It diverts water that would otherwise feed Pyramid Lake into the Carson River watershed for irrigation use. The dam was listed on the National Register of Historic Places in 1978 as the "Derby Diversion Dam."

Stillwater, we're all directly involved. I mean, the agricultural interests in Fernley are there, the utility in Fernley is involved because of the recharge to the groundwater. Silver Springs even could be involved because of the water that's come out of the canal and is stored at Lahontan. Recreation—that's a popular area in the summertime around here. *A lot* of people—I suppose there's times that 300,000 or 400,000 people visit that lake down there, a year, in the summer. So, you get beyond the dam then, and then you've got Churchill County and Fallon and the agriculture down there. And the agriculture down there is way, way above and beyond what the Truckee Division is. The Truckee Division [which includes the Town of Fernley] really isn't the best, I would say, soil for agricultural purposes. There's a lot of rock around here and a lot of sand. But there are some good places that they raise some great alfalfa. This place across the road here . . .

Seney: It looks like a good field across the road, yeah.

Kelso: He's got about 600 acres over there and he does real good. If we got water, they do real good over there.

Seney: But, is this all bench land here?

Kelso: No. Part of it is, part of it isn't. And that was a problem because we, at times, felt that the Bureau of Reclamation was dictating whether lands were bottomland or bench land.

Seney: Well, this is a current controversy.

Kelso: It *still* is. And it will remain that way until there is some kind of resolution, which we didn't arrive at. I felt that we had a great success in the negotiations because we managed to bring as many people together as we did. And I'm not saying that L-V-E-A was entirely responsible for that, but think they had a big hand in it.

LVEA Prepares for the Settlement II Negotiations

Seney: When you say success in the negotiations, you don't mean the final outcome of the negotiations (Kelso: No.) so much as you do bringing the Lahontan Valley together?

Kelso: Well, not only that but we had . . .

Seney: You were saying that one of the things that you felt came out of this was the sort of community-building that went on in the Lahontan Valley Environmental Alliance. Talk a little bit about how that got organized. I've spoken to Mary

Reid and she's given me her perspective on it. I know she was active. But, what was your participation and how did you get to be the chair of it?

Kelso: I guess because I was involved in the inception and, at that point in time, I was donating my time full-time to the Town of Fernley for this specific purpose. My wife was working and supporting us and so I was dedicating my time to the Town of Fernley. So, I had a lot of time to work on it.

Seney: Let me stop you to ask how was it when you began to become familiar with these water issues? Do you remember sort of what's sometimes called the "learning curve" and how you mastered these things? Because I understand you know them pretty well by now.

Kelso: Well, I don't know that I've mastered them.

Seney: (chuckles) Well, I don't know that anyone has, but you know what I mean, (Kelso: Yeah.) you get a feeling for them. Do you recall the difficulties and the frustrations you went through in trying to come to terms with all of the issues involved in this?

Kelso: Oh, yeah. It was really tough to start with, because some of us were novices. I mean I had

to sit with Kurt Cramer, who's our utility manager, George Ball, who's our consulting engineer, Becky Jean Love, who was, when we started in this whole thing, was the Chairman of the Town Board. As this progressed, you'd pick up a term here and you'd pick up a term there. And every time there was a meeting, there would be more information put out by whether it was T-C-I-D or Fallon or Churchill County, whoever brought it up. And it got to the point where pretty soon you thought, "Well, they can't do that. Why are they trying to do that?"

Seney: Did you ever get the feeling, "My God, I'll never understand this?"

Kelso: Yes. (chuckles) I *still* feel that way because there's things that happen. The State Legislature changes laws, Congress changes laws, and you think, "Boy, I'm just beginning to understand what the process is here," and there's a piece of legislation that's changed either in Carson City or in Washington, and it changes the whole perspective on one or two issues that you're involved in.

Seney: You know, I want to dwell on this for a moment, because necessarily you're dealing with all kinds of people on this: Some of them are full-time

professional bureaucrats, (Kelso: Absolutely.) who are engineers in some cases, who are attorneys in other cases. I'm think if Mr. [Fred] Disheroon⁹ at the Justice Department who's been working on this for many years. Mr. [William] Bettenberg¹⁰ at the Interior Department who's worked on it many years. The officials over at the Bureau of Reclamation or the Bureau of Indian Affairs or Fish and Wildlife, the Geological Survey, the Soil Conservation Service, or Sierra Pacific Power that Sue Oldham, I think, has been at it eighteen or nineteen years (Kelso: Yes.) by this time. Bob Pelcyger,¹¹ the Pyramid Lake attorney, has been

9 Fred Disheroon participated in Reclamation's Newlands Series oral history project. See, Fred Disheroon, *Oral History Interviews*, Transcript of tape-recorded Bureau of Reclamation Oral History Interviews conducted by Donald B. Seney, edited by Donald B. Seney and desktop published by Brit Allan Storey, senior historian, Bureau of Reclamation, 2010, www.usbr.gov/history/oralhist.html.

10 William Bettenberg participated in Reclamation's Newlands Series oral history project. See, William Bettenberg, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation Oral History Interview conducted by Donald B. Seney, edited by Donald B. Seney and desktop published by Brit Allan Storey, senior historian, Bureau of Reclamation, 2009, www.usbr.gov/history/oralhist.html.

11 Robert (Bob) S. Pelcyger participated in Reclamation's Newlands Series oral history project. See, Robert (Bob) S. Pelcyger, *Oral History Interviews*, Transcript of tape-recorded Bureau of Reclamation Oral History Interviews conducted by Professor Donald B. Seney for the Bureau of Reclamation, in 1995 and 2006, in Reno, Nevada, and Boulder, Colorado, 1995 interviews edited by Donald B.

at it even longer than that.

Kelso: Yeah, twenty, twenty-five years for Bob.

Seney: Yeah. Do you feel at kind of a disadvantage sometimes when you have to donate your time, (Kelso chuckles) and do you feel like the people out on the project are maybe at a kind of disadvantage in playing this game?

Kelso: Sure, absolutely. One of the disadvantages is that I don't have the education that those people do. So, it takes more time for me to sit down—and I have to study everything, you don't just say, "Well, that sounds good." But that *is* a definite disadvantage.

Seney: This isn't the kind of stuff you can glance at is it?

Kelso: No, no. And . . .

Seney: I don't think anyone can, by the way, I don't care how much education you have.

Kelso: Well, I don't think they can either. Probably the

Seney and all interviews further edited by Brit Allan Storey, senior historian of the Bureau of Reclamation, 2013, www.usbr.gov/history/oralhist.html.

reason some of them had more advantage than some of us was the fact that they had been involved in it so long, the length of time that they were in it.

Seney: By the time you get to helping organize the L-V-E-A, you feel pretty good about your knowledge and understanding of what's going on?

Kelso: [I'm] beginning to feel that I am able to lead that organization and go from one entity to another and attend their meetings and at least have an understanding. Most of the time there was paperwork that was handed out, so that would give you the opportunity to not only be at the meeting. But then you could go home and study the material that they gave you. So yes, I felt by that time that I was able to contribute to the organization and be kind of guided as it turned out.

Recruiting People to Join LVEA

Seney: Building an organization's always a hard thing to do. Tell me how you went about working on L-V-E-A and getting everyone to participate.

Kelso: Well, we started calling people. There was a core group that got involved, Mary Reid and Carl

Dodge¹² and several of the ranchers over there, Ernie Schank.¹³ Ernie wasn't involved through L-V-E-A right away, but he was involved through the other organization that he belonged to.

Seney: Newlands Water Protective Association?

Kelso: Yes, uh-huh. And we began calling people, organizations, telling them what we were trying to do. We went before the Churchill County Commission. We went before the city fathers in Fallon to let them know that we felt, as a separate entity, that we would have the opportunity where one entity could not do it alone. We had to all be in it together. And that's basically how it started.

Seney: I take it when you selected individuals to call, these were people you considered to be

12 Senator Carl Dodge, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation Oral History interview conducted by Donald B. Seney, Bureau of Reclamation, edited by Donald B. Seney, www.usbr.gov/history/oralhist.html.

13 Ernest C. Schank participated in Reclamation's Newlands Series oral history project. See, Ernest C. Schank, *Oral History Interviews*, Transcript of tape-recorded Bureau of Reclamation Oral History Interview conducted by Donald B. Seney, edited by Donald B. Seney and desktop published by Andrew H. Gahan, historian, Bureau of Reclamation, 2017, www.usbr.gov/history/oralhist.html.

influential and (Kelso: Sure.) people who'd be helpful. Who were some of those? Do you remember?

Kelso: Jack Tedford was one in Fallon.

Seney: Say his name again?

Kelso: Jack Tedford. (Seney: Tedford.) Uh-huh.

Seney: What was it about Mr. Tedford that made you want to get him involved?

Kelso: Well, he's pretty influential in Fallon. He's a sizeable contractor involved in the city.

Seney: Was he receptive? Did he join up?

Kelso: Not right away. But when the City of Fallon chose their representative, he was their representative for this board.

Seney: I would think a contractor would be interested in something like this, someone who depends on growth for their livelihood in construction.
(Kelso: Sure.) Yeah, that would be a natural.

Kelso: It was, and he was a great help. He was elected treasurer and he took care of the bills and taking care of that. So he was a great help there. Not

only that, but his contacts with the City of Fallon and Churchill County was very important to the group. Sonya Johnson, she was an ag person, but she was one of those activists in the community who knew everybody, was able to go around and meet people.

Seney: When you say "an ag person," you mean she's a farmer, a farm family?

Kelso: Yes. She was a widow actually. I don't think she was as involved in the agriculture at this time as she had been in the past. But her husband died, and she was left to do it by herself. So, she was very influential. Carl Dodge, of course, he's an ex-state legislator. He was very influential. He managed to open doors for us that probably wouldn't have been opened had it not been for his influence.

Seney: What kind of doors do you mean?

Kelso: The current Legislature, probably Congress, he was very close to Senator Reid. They talked frequently back and forth. Lyman McConnell, he was very helpful, very influential. He's a very knowledgeable man. The man knows the project and he knows the history, knows the operation from day-to-day, he's very strong. Ted de Braga,

he was real helpful, influential. I'm trying to think of some of the other names, Jim Johnson, he's a prominent businessman in Fallon. He was there right along, helped get the negotiations going. I think I've mentioned Mary Reid. Mary Reid was very strong too.

Seney: She's an interesting personality in terms of someone who's become so active in the community over a short period of time. (Kelso: Yes.) It's kind of unusual in a small town, wouldn't you say, to have someone like that to be so influential. I mean she's a very capable person, obviously, very energetic, but it's kind of unusual, I think.

Kelso: Sure. And her husband too. I don't know whether you know much about Herb but . . .

Seney: No, I don't.

Kelso: Herb was kind of out here on the sidelines, and he really was willing to do whatever we needed done and whatever Mary needed. So, he was one of those people who was out and about.

Seney: Is he an engineer?

Kelso: No, he's a psychiatrist, I guess—a practicing psychiatrist in Fallon. I think he started out as

kind of a hobby over there but it's blossoming into a full-time job for him. Some of us had more time than others to do this. But Mary, through the university system [the University of Nevada at Reno], they were involved too through Mary. So she was able to spend quite a bit of time with the organization.

Seney: Well, it's kind of her job, in a way, isn't it?

Kelso: Yes. Yeah, she did a lot of work for the group and for the community.

Seney: Was this a difficult task? I mean, I know it was time-consuming. But, did you run up against a lot of indifference or any resistance? Or did people pretty much appreciate the importance of what you were trying to do and join in?

Kelso: No. I think when we first started, the bureaucrats were not happy to see us come on the scene. When we really got rolling, we had 200,000 people in the area in northwestern Nevada who were talking to us, and another group formed the Six County Coalition, I'm sure you've heard of that. (Seney: Yes.) They got formed and that was county governments involved.

One of the things that one of our

representatives told us that was probably one of the most important things they could have said to us, and it was in a negative way . . .

Seney: You mean elected representatives? (Kelso: Yes.) State or congressional?

Kelso: No, federal. (Seney: federal.) Yes. It was one of those things that lit a fire. He said, "When you get enough votes on your side, then Congress listens."

Seney: Was that Senator Reid?

Kelso: No, that was Senator [Richard H.] Bryan¹⁴ that made that statement. So, the fire was lit and we started talking to the six counties and they got formed up and they wrote letters on our behalf and everybody started listening. There was nobody telling us, "You can't come in this meeting. You can't be here."

Seney: As they did before?

Kelso: Yes. Everybody knew where Fallon was, nobody knew where Fernley was. Fernley isn't a very romantic community like Virginia City or Silver

¹⁴ Richard H. Bryan served the state of Nevada in the U.S. Senate from 1989 to 2001.

City or some of those other small communities around, because what you see here is what was here, a lot of sand. And until the water, the Newlands Project was formed and constructed, there wasn't much here.

END OF SIDE A, TAPE 1.
BEGINNING OF SIDE B, TAPE 1.

Seney: Before the tape was running, you were just saying that before the project got here, there really wasn't much (Kelso: Right.) in Fernley.

Kelso: In reality, there was more in Wadsworth because of the railroad over there. But Fernley was just kind of a way station along the way. The project was constructed and agriculture became a large contributor to the economy in this area. So, we really struggled to get recognition, and to get them to understand what we were trying to do. And being involved with L-V-E-A was probably the best thing that we could have done at that time to get people to understand where we were at and why we were there. As you're aware, we had several negotiation sessions right here in Fernley.

Federal Officials Unhappy with LVEA Organization

Seney: Let me stop you for a second. When you began to talk about this, you said some of the bureaucrats weren't very happy about what you were doing.

Kelso: No, they weren't.

Seney: Who was this and how did they let you know?

Kelso: Well, one of them was Ed Solbos.¹⁵ He was a Bureau of Reclamation head.

Seney: Former [Lahontan Basin Area Office] area manager here, yeah.

Kelso: I'm not sure that Bill Bettenberg was real happy to see us get organized.

Seney: What did Ed Solbos do or say that made you aware of his displeasure?

Kelso: (laughs) Not wanting to have meetings with us. He was not real excited about it. He got better as we formed some of the associations that we did.

¹⁵ Edward Solbos participated in Reclamation's Newlands Series oral history project. See, Edward Solbos, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation Oral History Interview conducted by Donald B. Seney, edited by Donald B. Seney and desktop published by Andrew H. Gahan, historian, Bureau of Reclamation, 2017, www.usbr.gov/history/oralhist.html.

Betsy Rieke [former Assistant Secretary of the Interior for Water and Power],¹⁶ I have nothing but great things to say about that lady. She's probably one of the best. That doesn't sound right either, but she truly gave you the idea that she was willing to listen to you, and that the people that were working for her were *going* to listen to you. So, I think that because of her attitude, that some of those people like Ed Solbos and some of the others in the area, then took us serious, and knew that they had to talk, they had to negotiate.

Seney: You know, I've interviewed, as I've told you, quite a number of people with interests in the project, and several of them have said to me, "Well, gee out there what they really need to do is organize themselves and decide what they want and speak with one voice." So, I take it when you actually *did* this, people had second thoughts about that.

16 Elizabeth Anne Rieke served as Assistant Secretary of the Interior for Water and Science under the Clinton Administration from 1993 to 1996. Ms. Rieke also participated in Reclamation's Newlands Series oral history project. See, Elizabeth (Betsy) Rieke, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation oral history interview conducted by Donald B. Seney, edited by Donald B. Seney and further edited and desktop published by Brit Allan Storey, senior historian, Bureau of Reclamation, 2013, www.usbr.gov/history/oralhist.html.

LVEA Gave Voice to Water Users and Others with an Interest in Newlands Project Water

Kelso: Yes. That was one of the issues that we all knew we had to do. We weren't sure when we first started how we were going to go about doing that. We knew that we had to have a voice that was going to be heard, and that was one of the deciding factors to get L-V-E-A up and going, was because we had to get people to listen to what our concerns were.

Seney: When you say, "Get people to listen to our concerns," you don't mean to get the water users to listen to what the non-water users wanted in the valley? (Kelso: No.) You mean to get the people outside to listen to what you in the valley wanted?

Kelso: That's right, yes.

Seney: Was it a problem, do you think, that the Newlands Water Protective Association, while it was part of the Alliance, it had a kind of separate organization of its own? Was that a problem, do you think?

Kelso: I didn't view it as a problem because in reality, those fellows and those women over there that were involved in that were ag, period. I mean,

their forte was the fact that they were ag people, and they needed that water, that's their lifeblood. I mean that's their families, three or four generations back have depended on that water for their livelihood. So no, I don't think it was a problem. I think there were a couple of times that there was some discrepancies as to how we should do things, but they were pretty supportive of us.

Agreeing on LVEA Negotiating Positions

Seney: Once you were in the negotiations you mean? (Kelso: Yeah.) Was it difficult to arrive at your four points that you opened the negotiations with? That is, you wanted to maintain a viable agriculture with 43,000 acres of prime agricultural land. You wanted, if my memory serves me right here, to make sure that non-local entities kind of stayed out of the management of local problems. (Kelso: Right.) You wanted to try to build relationships among people for future resolution of conflict. And my memory is failing me for the forth one.

Kelso: So is mine. (chuckles)

Seney: Well, maybe we'll think of it as time goes on.

Kelso: Maybe I ought to get my material out.

Seney: If you'd like, sure. If you want to refer to something.

Kelso: Why don't I do that.

Seney: Sure, alright. Before you started to look for me through that mass of material you're holding in your lap there, and that's only a fraction of the (Kelso: It's a fraction of it.) paper that was generated (chuckles) in these negotiations, I was asking you whether or not it was difficult to arrive at the four points—the fourth of which we can't seem to recall at the moment—at those four points as your negotiating position in the Settlement II negotiations.

Kelso: It wasn't so hard to arrive at them. It was very difficult to get others to agree that those were the things that we really wanted.

Seney: Who did you have trouble getting to agree? Let me make a comment to you, if I may. When I saw those, it struck me that it was very much a pro-agriculture position that two of the four things, that is the maintenance of the viable agriculture and the community at 43,000 acres, and then the non-interference by non-local entities, that I read is really keeping the Bureau

and the Department of the Interior out of T-C-I-D's business essentially. That's what that meant? Maybe I'm wrong, but that's how I read it.

Kelso: No, I think that's a pretty good assessment.

Seney: And it kind of struck me that, gee, this is pretty heavy on the agricultural side without much maybe on the City of Fallon or the City of Fernley's side. You're shaking your head "yes." Was that the problem you had selling to other people?

Kelso: I think so. I think that that had a *lot* to do with it, that side issue. Well, it wasn't really even a side issue. It was the fact that the agricultural community is such a large portion of the economic impact on the area that naturally, there's a large number of people who are involved in this who are ag people. That were separate and away from the Water Protective Association Board. They all may have been members.

Factors that Set Fernley Apart

But see, the water rights on the Newlands Project, I even have a small water right because when these subdivisions went into effect, they

were alfalfa fields and so (Seney: Sure.) each parcel of land had a small water right to go with it. So in reality, almost anybody that owns a home in Fernley has a water right if they have a deed and dedicated it to the town utility or somebody else. One, we're all directly tied to the ag community.

The differences in Fernley, is the fact that Fernley has a utility system that's done quite well. We've worked real hard to get it to the point where it is. And we're giant steps ahead of Fallon and Churchill County in that respect.

Seney: This is your municipal utility? (Kelso: Yes.) Including your water and sewer service?

Kelso: Yes. Another thing that kind of sets us apart from them is that we have a 2,400-acre industrial park that's in various stages of approval. Actually, they've got approval, I think they're waiting to get some industrial bonds approved. When that happens, then the agriculture to the town of Fernley and in the Truckee Division is going to kind of phase itself out. We know that already just by the amount of subdivisions that have been approved. And they're in different stages of construction or not constructed but are sitting in the wings waiting. So, that is going to kind of take the agriculture out of the Truckee

Division. It's a natural progression, it's something that should have happened a long time ago but because of economic impacts, it didn't happen in the early 80s and late 70s.

Seney: Well, Fernley's really been growing, hasn't it? (Kelso: Yes.) And all of the views are that it's going to continue to grow?

Kelso: Yes. During the negotiations, we've sat down and kind of looked at it and tried to project what we felt what would happen. We feel that there's going to be somewhere in the neighborhood of 25,000 to 30,000 people in the Fernley area.

Seney: By what date do you see that happening?

Kelso: We're looking at probably twenty years. That would be my feeling.

Seney: From about 8,500 now?

Kelso: Yes. Yeah, that's what the post office is telling me is that we're at about 8,500. With that and Wadsworth, which is two miles, three miles down the road, we're looking at 10,000 people in the area right now. So, that's not really a big jump if you really look at it. And an industrial park the size of that one with a couple of golf

courses and retirement, and whatever, I really think that 25,000 to 30,000 is a realistic number.

Seney: Going back to the feeling about agriculture here, is agriculture as important, say, as emotionally or psychologically to Fernley as it is maybe to Fallon?

Kelso: No. It is to the people who are involved in it, yes. The farmers and the ranchers in the area, yes. But as far as the community itself, no. I don't think it's near as an emotional an issue.

Seney: This field across the street from your home here is a very nice field, looks like that's a nice field, produces well. How many acres did you say that was?

Kelso: This guy's got 600 acres in here.

Seney: That's a big field, so that's 600. (Kelso: Yes.) Is that the biggest field around?

Kelso: It's one of the bigger ones in the Fernley area.

Seney: I take it probably most of the Fernley fields would be much smaller than that? (Kelso: Yes.) A lot of hobby farms?

Kelso: There's a lot of hobby farms in Fernley.

- Seney: We're talking five, ten acres, (Kelso: Right.) something like that.
- Kelso: And there's areas where the guy's got an acre-and-a-half or two acres and he thinks he's got a farm. You know? Which is a little bit unrealistic, but nevertheless, they do irrigate it and they have their cow and their horse and whatever for their kids and their 4-H projects and those kind of things. So yes, there is a lot of that around here. Probably more of hobby farms here than there is in the Churchill County area.
- Seney: Right. And that necessarily means that there's going to be less support for agriculture. I mean, I doubt there's a farm implement dealer here. (Kelso: No.) Feed store of any significance?
- Kelso: A small one.
- Seney: So, you don't have the agricultural infrastructure (Kelso: No.) of merchants who would be arguing in favor of maintaining agriculture, say the way you would have in Fallon necessarily?
- Kelso: Yeah, that's absolutely true. Most of the people here in fact, I'm sure, either go to Sparks, there's an implement dealer in Sparks and then Fallon. So, I'm certain that these guys around here go to

one or the other. Probably Fallon mostly. So, that's another impact that we don't have that they do have over there. I mean, Main Street in Fallon, you close some of those people down and it's going to hurt really bad.

But Fernley's different in that respect too, because probably sixty-five percent of the people who live here now—sixty to sixty-five percent—work in Reno, Sparks, some in Fallon at the [Naval] base. There are some who commute to Carson City, be we're kind of a bedroom community at this point in time. So our retail community is not a large community.

Seney: Then you sit astride or adjacent to a number of important highways (Kelso: Yes.) as well, Interstate 80 and what's the road that runs down to Silver Springs?

Kelso: That's Alternate 95.

Seney: Then 50 is somewhere nearby, isn't it?

Kelso: Fifty runs east and west at Silver Springs. It goes from Carson City into Fallon and it runs right though to Silver Springs.

Seney: Railroad stop nearby?

Kelso: We don't have a stop, but we do have several sidings and the industrial park that's going is . . .

Seney: There will be rail service there.

Kelso: There is rail service over there now, they've got that put in there. So, that's the reason that this was such and the fact that there's some large pieces of land available yet.

Seney: So, you're situated very differently than Fallon (Kelso: Yes.) in terms of growth?

Kelso: Yes. They have a spur that runs down there to Fallon, but I mean we're on the main line Southern Pacific right here.

Seney: That makes a big difference if you're deciding to locate a firm (Kelso: Sure.) somewhere. I mean that kind of transportation differential's important especially when you're going to be near a market to sell maybe what you're making and for labor as well. I mean, this is a very different community than that one.

Kelso: Yes, it is.

Seney: Did that come out as you were trying to come to terms to agree on these negotiating points that

you were going to present in the negotiations?

Kelso: Sure, it did. One of the things that we made up our mind to, when we got involved in this, was that Fernley was a separate entity, and we were going to *remain* a separate entity. We were there because we felt that we needed solidarity in the area. We needed to be able to support those people and expect their support back. And, I believe that we have that or had it at that time. I still think we have it. And I think that the fact that we still are able to talk to the people that we talked to. We built a pretty good rapport with the people that we dealt with in the past five or six years.

Building Rapport with Various Groups Through the Negotiations

Seney: Down in Fallon you mean?

Kelso: In Fallon and in the federal bureaucracy, I think we have a reasonable rapport with some of those people, Betsy Rieke was one of them. The Bureau over here, in Carson City, after Ed [Solbos] left. (Seney: Ann Ball,¹⁷ Area Manager,

¹⁷ Ann Ball participated in Reclamation's Newlands Series oral history project. See, Ann M. Ball, *Oral History Interviews*, Transcript of tape-recorded Bureau of Reclamation Oral History Interviews conducted by Donald B. Seney, from 1995 to 1998, in Carson City and

Lahontan Basin Office, Bureau of Reclamation) I think she also was getting herself up to speed, she's a lot easier to talk to than Ed was. Fish and Wildlife, we had built some rapport with Fish and Wildlife too. I think our Governor [Bob Miller], we met with him several times, which helped—I don't know that we got any real benefit out of it—but we were able to call his office and get an appointment to go sit and talk to him a couple of times, which helped, just the fact that we were able to do it.

So, I think that it was well-known that Fernley was going to be independent and on their own, because we are a different type of community. We're farther ahead with a lot of the aspects than Churchill County.

Percentage of Fernley Residents Connected to the Utility System

Seney: What percentage of your residents are hooked up to the water and sewer and system?

Kelso: Well, I think half.

Reno, Nevada, edited by Donald B. Seney with final editing and layout by Brit Allan Storey, 2009, www.usbr.gov/history/oralhist.html.

Seney: About half?

Kelso: Half of the residents are on our utility system, the others are on domestic wells, septics.

Seney: Is this community a little more compact than Fallon and Churchill County, which is more spread out and would be more difficult to sewer and expensive to put on a water system? Is this one going to be a little cheaper (Kelso: Yes.) at this point?

Kelso: It is, however, we are spread out. There's 161 square miles in the Town of Fernley. There's actually more area in the Town of Fernley than there is the City of Reno.

Seney: Is that right? (Kelso: Yes.) As I drive around, it looks like—and I don't know the community well at all—but it looks like you've got houses clumped together pretty well (Kelso: Yes.) where you can service them pretty well off sewer mains and water mains.

Kelso: Yes, and that's one of our goals, of course, is to see that the developers that come in here *do* provide that infrastructure. Because that's their responsibility when they come in here is to provide that infrastructure. If they want to build nine miles out here, and they want city water and

sewer, then that's their responsibility to get it there. So in that respect, it *is* easier for us to do that.

Seney: If I come in as a developer and want to build 100 houses, say nine miles out, you're not going to let me put in septic tanks are you?

Kelso: No. State law will probably stop that.

Seney: So, I'm going to have to run water, run sewer and then I'm going to have to pay to hook-up to the city system (Kelso: Sure.) to get my pipes into your pipes.

Kelso: Sure. Because the infrastructure actually that the utility owns runs in the street to the meter. And then from the meter to your residence or the 100 residences, that's the homeowners' responsibility. So, that's the reason that he pays that hook-up fee is to hook to that system. So yes, that's the way we work it.

The Truckee Canal as a Source of Water for Fernley

Seney: You know, at this point, of course, you're dependent on the diversions of the Truckee [River] down into Lahontan [Reservoir] to not only irrigate the water-righted land here from

which you'll get some seepage and spills and that'll find its way into your aquifer. Also, there's seepage coming out of the Truckee Canal itself at this point. Do you have any idea what the proportion of those is?

Kelso: Sure. About ninety-two or ninety-three percent of the recharge to our aquifer is from the canal. There's 600 acre feet of natural recharge in the Fernley area.

Seney: Because you've got a minuscule amount of rain and that's where that 600 acre feet recharge comes from. (Kelso: Exactly, right.) So ninety-eight percent of it is coming out of the canal?

Kelso: Well, we use the figure ninety-three.

Seney: I'm sorry, ninety-three.

Kelso: Ninety-three percent is coming out of that.

Seney: Because you're talking somewhere in the neighborhood of 23,000, 24,000 acre feet at this point in your water system, right?, in the aquifer and whatnot? So if the Pyramid Lake Indians were to succeed, in cutting off the diversions at Derby Dam, that would be big problems.

Meeting with the Pyramid Lake Tribe Over Water

Problems

Kelso: Oh, yes—monstrous. One of the things that the town has done in the past couple of years is meet with the tribe.

Seney: That was going to be my next question. (Kelso: Okay.) Tell me about that.

Kelso: To see if we couldn't come up with a solution to that problem *if* that ever happened. And one of the issues would have been that we have a joint utility system. But the problem with that is, we don't believe—and our engineer I think agrees—that we don't believe that there's enough water in that aquifer in Wadsworth to take care of both communities.

Seney: Without some diversions out of the Truckee River.

Kelso: Either that or piping water. If they were to close that [the Truckee Canal], there would have to be some way that we could recharge our aquifer. They'd plug the canal down here and run water into it and let it either seep or us pump into it through injection wells or rapid infiltration basins, whatever works. And those are ongoing at times, but the amount of money that it's going

to cost just to do that study is somewhere in the neighborhood of \$2 million or \$2½ million and the farther out we go in the future, of course, the more expensive it's going to get.

- Seney: That's way beyond the capacity of the town to fund something like that? (Kelso: Yeah.) So, that would be one of the questions is, as time goes on and matters develop, and you're looking forward to this, as the political leadership of the town should really, of being maybe drawn in the direction of Pyramid Lake Tribe and somewhat away from Fallon and the Truckee-Carson Irrigation District?
- Kelso: No, I don't think at this point in time I'm not ready to say that, because as I mentioned a while ago, there are a number of voices involved. Even though the tribe has some real influence in Congress, because of the tribe and what they stand for, I'm still not ready to say that, yeah, we need to align ourself with the tribe and let Fallon and Churchill County go their own way. I don't believe that that's the right way to do that.
- Seney: But you wouldn't be surprised if we came back in 100 years and found the now metropolis of Fernley hooked-up to a water system with the Pyramid Lake Indians? (Kelso: No.) That wouldn't surprise you?

- Kelso: No, it wouldn't. It may make a lot of sense to have some kind of a system where a portion of the water was taken from the aquifer here and a portion over there. One of the problems with doing everything in Wadsworth is the fact that you have to lift it seventy feet.
- Seney: Bringing it up over from Wadsworth?
- Kelso: Yes, it would have to be pumped seventy feet. We have a 2 ½ million gallon storage tank out here, and it would be ludicrous to not use those systems. So the zone is there and the seventy feet is an actual number that was worked up in the negotiations.
- Seney: Well, I can certainly understand why, and if I were in your shoes, I would be doing the same thing. That is, if Pyramid Lake came to me and wanted to talk about the future and the water system, I'd sit down and talk with them too, as I assume you are. (Kelso: Sure.) And you're not running into any real resistance here in the community saying, "Oh, we can't talk to those people. We can't be disloyal to Fallon, and whatnot." Are you running into any of that?
- Kelso: There's a faction out there that feels that way, but I think that as time goes on, I think that's going

to kind of mellow out. We're going to see less and less opposition to it.

Seney: I take it that would be probably the farmers who would feel that way maybe.

Kelso: Probably. Yeah, I would think that.

Seney: Sure, I can understand that.

Kelso: There is that faction that's not real excited about it. But, if you're going to sit on one of these boards and you're really concerned about the future of the town, you can't let any stone go unturned. Those people are one of those stones, and we need to continue the dialogue with them. The rapport is getting better and they've got a tribal chairman out there right now, he's pretty sharp and he's willing to sit down and talk whenever. We've had dinner with him over here a couple of times. They are willing to talk, so yeah, those things are ongoing.

Seney: As an outsider observing this, that would seem to me to be a very natural development to have Wadsworth and Fernley and the tribe develop some sort of mutually satisfactory system for water.

Kelso: I think you're right. One of the reasons that we

continue to talk, and I truly believe that the tribe wants to see Fernley succeed. Because at some point in time when this industrial development gets something coming up out of the ground, we're not only going to provide jobs for the people in Fernley but we're going to provide jobs for the tribe and folks in Wadsworth and whatever. So, we're all going to be in this thing together sooner or later.

The Leadership of the Pyramid Lake Tribe

Seney: You've mentioned the current chairman, Norman Harry,¹⁸ as being an enlightened tribal chairman. They've had some, in recent years, some fairly enlightened tribal chairmen, have they not, and some fairly decent leadership? Or is he an exception?

Kelso: Well, I've known the two previous, and I think Bob Pelcyger guided those other two, I truly believe that.

18 Norman Harry participated in Reclamation's Newlands Series oral history project. See, Norman Harry, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation oral history interview conducted by Donald B. Seney, edited by Donald B. Seney and desktop published by Brit Allan Storey, senior historian, Bureau of Reclamation, 2012, www.usbr.gov/history/oralhist.html.

Seney: Alvin James and Joe Ely?

Kelso: Yeah. No doubt in my mind Joe Ely's an intelligent man and he did a lot for the tribe.¹⁹ But I think, even that, I think Bob Pelcyger was standing back there and pointing the finger and showing the way. I think Norm is taking things on himself that probably Alvin wouldn't have done. So in that respect, I believe Norm Harry is a much better chairman.

Seney: Well, he's dealing from a position of strength now, isn't he?

Kelso: I think so, I think he's got a good majority out there. He's young and progressive.

Seney: Right, and Public Law 101-618 is a big boon to them (Kelso: Sure.) and so he's got a better position than his predecessors had (Kelso: Sure.) where they were up against it a little bit.

Kelso: Yeah, Joe Ely was before, or right at the time

¹⁹ Joe Ely participated in Reclamation's Newlands Series oral history project. See, Joseph (Joe) H. Ely, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation oral history interview conducted by Donald B. Seney, edited by Donald B. Seney and further edited and desktop published by Brit Allan Storey, senior historian, Bureau of Reclamation, 2012, www.usbr.gov/history/oralhist.html.

that 101-618 was in its inception, and he was very busy in that. So, it took a lot of his time. Where Norm, we now know that 101-618 *is* a law of the land and Norm has the opportunity to fall back on that and be able to look in different areas to expand the tribe.

Seney: He can be a statesman.

Kelso: Absolutely, and he *is* a statesman. I believe that Norm Harry is a statesman.

Seney: Right. Dealing with people from a position when they're strong they're more likely to give, it seems like, when they're not so beleaguered perhaps.

Kelso: I think probably that's true. If you don't have a position of strength, the first thing you think about, I think, is that somebody's trying to get to you. And I think that was a problem for quite some time.

Fernley Has More Options Than Fallon

Seney: Well, isn't this true of Fernley as we talk? I mean I think Fernley's in a very good position here, more options than Fallon has. It can go in one of several directions here in terms of water

and that makes you a little more open-minded, a little more experimental maybe and a little more statesman-like, (Kelso: Yeah.) in terms of determining of what you're going to do and what options are available to you.

Kelso: And one of the things that I think sets Fernley aside is the fact that this board still is a volunteer board, you're elected to volunteer. So the guys that get on that board, I believe they have a true desire to see that Fernley succeeds.

Seney: You got a pretty good board, do you think?

Kelso: Yes, I think we got a good board.

Seney: If I may make a comment here and ask you, along the lines of what we're talking about, ask you to comment on it: I think this is one of the problems that are down in Fallon with the water right holders, many of whom I know well, Ernie Schank particularly. I'll be seeing him again on Wednesday. I like him very much. I respect him. (Kelso: Great guy.) He's a great guy. But they feel very beleaguered, very put-upon. And I think under those circumstances they're not likely to be flexible. Would you agree?

Kelso: Yes, I have to agree with that. They *all* feel that way.

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

Seney: My name is Donald Seney; today is October 9, 1995. I'm with Mr. Bob Kelso in his home in Fernley, Nevada. Bob, we were cut off a little bit of what we were saying, and that is, you were starting to comment that down on the project [in Fallon]. Some of the farmers are willing to talk and be a little more open-minded, but you were saying those are the ones that kind of had it made.

Kelso: I believe so. I think maybe "have it made" is not the right terminology, but some of the bigger places down there have . . .

Seney: Would this be Carl Dodge you're thinking of?

Kelso: Carl Dodge is one. But Carl, he's a little different kind of gentlemen as far as some of the agricultural people down there, because of his service in the Legislature. And I think he's more knowledgeable of the process than some of them are. So he's willing to negotiate—which he's had to do in the Legislature before—so, I'm sure he's well aware what needs to be done in order to get from point "A" to point "B."

But some of the bigger ranches down there, I'm sure they're better off financially than some of the smaller ones or some of the marginal ones. And we've talked about all of those; the ones that are prime agricultural land and the ones that are marginal, and who you say can't farm and who do you say can farm and is that the right way to do it? So, for that reason, I understand where they're coming from. I spent a lot of time with those guys down there. I was actually an alternate on the Board of Directors for the Newlands Water Protective Association for a while. So, I had my hands full trying to keep up with everything, and I finally had to just concentrate on the Town of Fernley and the L-V-E-A.

The Settlement II Negotiations

Seney: Well, let's talk about the negotiations and the start of the negotiations. Do you recall the first meeting?

Kelso: Yeah, it was a great meeting. Everybody stood around and shook hands and got acquainted. There were those who stood back in the corner and checked everybody to make sure they weren't in trouble or we weren't in trouble or whatever.

Seney: Who was that?

Kelso: Well, I think the tribe stood back a little bit.

Seney: The Pyramid Lake Tribe (Kelso: Yeah.) rather than the Fallon Tribe. Pyramid Lake. (Kelso: Yeah.)

The Fallon Tribe

Kelso: I'm going to throw the Fallon Tribe into that too. Because we really tried hard to get them to join our organization, L-V-E-A, become a member of that board and they didn't want to do it because of whatever reason. They were afraid of the association; what it would do to their federal [relationships].

Seney: Question of sovereignty from their point of view?

Kelso: Not so much sovereignty as it was they didn't want the federal government thinking that they were trying to bite the hand that fed them. I think is probably part of it, or a large part of it. However, we did have a good working relationship with them and they did participate in the negotiations, and I thought quite respectfully that they did a good job.

- Seney: You know, there was a controversy over really a minor amount of water at the end of last irrigation season, the late deliveries to the Fallon reservation. Do you recall that controversy? (Kelso: Yes.) Where they wanted some water left out in the "S" Line Reservoir so they could use it. Finally, the federal government had to really force T-C-I-D to give up the water. It was kind of an unfortunate situation all the way around I think.
- Kelso: Yeah, it was.
- Seney: Did this, do you think, affect the Fallon Tribe's willingness to come into L-V-E-A or to join into your negotiating position?
- Kelso: No, I don't think so. I think that was pretty solid from before we ever got into the negotiations. I think they'd made up their mind that they would support us, but they didn't want to be an active member of the Alliance.
- Seney: Well, they certainly have a vested interest in the continuation of the project.
- Kelso: Yes, they do.
- Seney: No question about that. Now, their objectives were very limited, they wanted their own little

district out there, which apparently they succeeded at.

Kelso: Yes, they did. That agreement was reached during the negotiations and I don't know whether they had it up and running for this season or not. But I do know that they got their own district, which I don't think T-C-I-D was even worried about that. I think they agreed that was good.

Seney: Right, probably lose them a headache they didn't need, in a way, I suppose.

Kelso: Yeah, I'm sure.

The Pyramid Lake Tribe

Seney: Yeah. I know that the Pyramid Lake Tribe made a kind of extreme presentation in terms of decoupling the river systems. Was it your impression they were serious about that?

Kelso: Sure, absolutely. During this period of time from 1989, when I come on the board until the present time, I must have heard Bob Pelcyger say that in public a dozen times.

Seney: Well, he often uses the phrase, "blow up Derby Dam," right? Apparently he said that.

Kelso: Well, he said that and he said several other things that could light some fires, and have done. He *has* lit some fires. But I'm sure they're dead serious that that would be the greatest thing in the world if they were able to do that. Because that water would then go right to Pyramid Lake.

And I'm going to say something else too—since we got to that point—I think this is probably more of a water issue than it is an endangered species issue. I think, personally, that the water means more than the fish.

Seney: The fish is just a "hook," if you will.

Kelso: Yes, absolutely, that's a great word, it's a hook. You can't use a hook out there to catch them but that is the hook, I tell you. Yeah, I'm sure they're serious, if they thought they could do it and they're working really hard at it. But we're not going to let that happen right now.

The Real Impact of Public Law 101-618

Seney: You know, I've heard it said that Public Law 101-618 is really, in effect, the Newlands Project dismantlement act. Because if you take the wetlands, Stillwater, Carson Pasture, the little bit that's on the Fallon reservation, the 25,000 on long-term average wetlands acreage, that you

need 125,000 acre feet of water that, the *cui-ui* recovery report is in now, mandated by 101-618, that calls for 100,000 extra acre feet of water. Now you're talking 225,000 acre feet: "it's willing buyer, willing seller," I mean there's no question about that. (Kelso: Sure.) But, still it's 225,000 acre feet, you subtract that out of what goes to the Newlands Project and you're back to about what was farmed before the Newlands Project came into being, (Kelso: Absolutely.) 20,000, 25,000 acres give or take. (Kelso: Yeah.) Do you see it that way? (Kelso: Yeah, sure.) You see 101-618 that way?

Kelso: Absolutely. If they're able to get that much water, that's absolutely true.

Seney: Do you think they'll be able to get it? (Kelso: No.) Why not?

Fernley Ordinance Aimed at Keeping Water Rights in the Town

Kelso: I don't think they're going to be able to buy that much water. *If* they get it, I think there's going to have to be some takings or something in order to do that. That's my opinion. Just going through this, in the length of time that I've been involved in it, there are some people who are

going to die before they sell their water. They're just not going to do it. I think the entities, Churchill County, Fallon, Fernley, we're all in the process of getting water rights dedicated to the municipalities. Fernley has an ordinance in effect that requires you, as a developer or builder, doesn't make any difference it could be one house or 800 houses: if you're going to hook to the utility system, for each hook-up you dedicate 1.12 acre feet of water.

Seney: Where am I going to get that water?

Kelso: It's on the land around here. It's the ranches and the farms that are being broken up, sub-divided.

Seney: So in other words, you're mandating through your ordinance that the water rights that are already on there, have to *stay* on there, essentially.

Kelso: Right. That 1.12 acre feet will be dedicated to the town. That gives us the opportunity to not only have a reliable groundwater source, but, if in the future that groundwater source were to dry up or get contaminated for whatever reason, then we would have surface water rights that we could put through a treatment facility or inject directly into the aquifer—whatever. That's a plan for the future. Not only is it an asset, but it's

kind of necessary to keep the utility going, or the town going.

Seney: If my duty on that acre is 3½ acre feet and you want 1.12, what happens to the other 2.3-something acre feet?

Kelso: They can maintain that. They can irrigate or whatever.

Seney: Maybe sell it?

Kelso: But most of these guys are subdividing down to 12,000 square foot or 7,000 square foot. So at that point in time, there's probably three units per acre or four units per acre. So at that point in time, that eliminates the 4½ acre feet of water on their land.

Seney: That would absorb (Kelso: Yeah.) because you're figuring so much per family then? (Kelso: Yeah.) Right, I see.

More on the Settlement II Negotiations

Let's go back to the negotiations. So, the first meeting was good. The tribes are kind of hanging back but everybody's friendly and the mood is optimistic, do you think?

Kelso: I don't know whether it was optimistic or not. Some of us were optimistic. I'm an eternal optimist anyway and I thought, "Yeah, we can get this done." Because at that point in time they were all in the room, *all* of the parties were in the room. So, I was optimistic that we were going to arrive at some kind of a settlement. And I know there were others in that room who felt that way too. I think Sue Oldham felt that way. I think she felt it could be achieved. The federal people, I don't think they felt that it could be.

One of the problems with their position, I think, was the fact that there wasn't anybody in the room who was able to make a decision. I mean Bill Bettenberg, he had his boss. Betsy Rieke had her boss, and her boss had his boss. And not that there's anything wrong with that. Because that's what makes this thing work, is the fact that there's so many safety checks in it that somebody's not going to give away the farm, so to speak. But I do believe that that was probably an issue.

Seney: I know there were those who thought that if they could have reached an agreement, that Betsy Rieke could have sold it to [Secretary of the

Interior Bruce] Babbitt.²⁰ You didn't feel that way?

Kelso: Yes, I *do* feel that way. If *anybody* could have done it, she could have done it. Well, let me put a little caveat in there, because if the negotiations had come about to where everybody decided that they were going to get on with this and make it work, and the settlement was agreeable to everybody, everybody signed it, then yeah, I'm sure that she could have gone back and gotten the job done. I think she was that kind of a person. I have great respect for her. I think she's probably one of the greatest negotiators and movers and shakers that I've been involved with for quite some time.

Seney: Well, that's pretty much the general opinion of her. (Kelso: Yeah.) She left here with a lot of positive feeling. (Kelso: Yeah.) I think people are sorry she's gone.

Kelso: *I'm* sorry she's gone. I think had she stayed, I think we may not have had resolution to all of the issues. But I do believe we would have gone beyond where we're at right now and had some

20 Bruce Babbitt served as Secretary of the Interior under the administration of President Bill Clinton from 1993 to 2000.

of those issues resolved that are not resolved and may never be resolved, I don't know.

Seney: Do you think a great opportunity was missed?

Kelso: Yes, I do. I believed in that system. That was one of the things that we as a town felt was very necessary. Because in the original negotiations we'd been left out, just flat left out; we were not there, we weren't at the table.

Seney: This is for 101-618?

Kelso: Yes. In fact, the original bill was the Senate Bill 1554 and it evolved into 101-618. I don't know. I just felt that we let the opportunity slide by us. But you know, you have to have cut off time. You can sit there and do these things and do these things, and if you don't have a time to quit, then nobody's going to get really serious. You don't get right down to the bottom line.

What Caused the Negotiations to Fail

Seney: What do you think hung it up? What was it that kept an agreement from being reached?

Kelso: I think the amount of water that's involved in the bill. I think we tried real hard to get Fish and Wildlife and get the Bureau to take a look at

alternative ways of dealing with the amount of water that they wanted over here on the Truckee, their canopy. And one of the buzz words that bothered me was the ecosystem out there. But at what point do you destroy one ecosystem to satisfy another ecosystem? So, that was one of the hard, fast facts that I think wasn't going to allow this to happen.

Seney: Well, I know that on your side that there was a feeling that there were things that could have been done in the lower part of the Truckee as it goes into Pyramid Lake; the canoping, planting of the trees, erosion control on the banks—I'm not sure I understand technically what all that means—and some changes in the delta and whatnot, fixing the fish ladder at the dam and so forth, that apparently the people on your side felt weren't really seriously considered by the (Kelso: No.) other side.

Kelso: No, I don't think so. I don't think Fish and Wildlife looked at that as a serious alternative. [In the] first place, I don't think Fish and Wildlife has the most efficient facility out there anyway, and I don't think they want that advertised to everyone.

Seney: You mean their fish hatchery?

- Kelso: Yeah. I don't think they want that advertised. And I don't think they were willing to get a bunch of people out there doing some studies on the bypass and those kind of things that might have shown how inefficient that thing was.
- Seney: You know, I've heard it expressed by people on the project that maybe the *cui-ui* aren't as threatened or endangered as it's put about. Are you one of those that agrees with that?
- Kelso: I do agree with that. You and I mentioned it just a little bit ago about it being the hook and I think that's exactly what it is, it's the hook. I don't believe that fish is near as endangered. In fact, I think it could be de-listed. I think it could be moved to the threatened list right now.

The November 1994 Congressional Elections

- Seney: Would that matter anymore (Kelso: No.) because of 101-618? And it's been said to me that this last election, in November [1994], when the Republicans took control of both Houses of Congress, conservative Republicans—particularly in the House but in the Senate too, really—that there was some comfort taken in that election by the Alliance and the Newlands Water Protective Association negotiator. Was there some satisfaction expressed on your side over that

election?

Kelso: Yeah, there were people who believe that, I don't happen to be one of them.

Seney: Why not? Why is your opinion different?

Kelso: The amount of work it takes to change legislation. Just because one party rather than the other party is elected and in there, that doesn't mean that you're going to be able to walk back there and go through the hallowed halls and get a tremendous amount of support for your positions. Unless, it's a whole lot bigger problem than what we got out here. I mean, true to *us* and to the 200,000 people that are involved around here or whatever, it *is* important, it *is* a big issue. But when you get back there in Washington, D.C., and you've got some of those big eastern senators and congress people who—I mean 200,000 people to them is nothing. And the issues involved out here are *minor* compared to some of the things they're dealing with. So, I didn't happen to be one of those that thought that that was a real strong option for us.

Seney: I've been told that Congresswoman [Barbara]

Vucanovich,²¹ a member of the new Republican majority in the House, told the people on the project, "Don't count on 101-618 being changed, it's not going to happen." Were you aware of that?

Kelso: I had heard that. I never heard her say that, but I had heard that she'd said that. And she's probably very astute with that comment, because that's what *I* believe. I don't believe that they're just going to go in there and slash everything.

Seney: Well, it may be in that legislation that the Truckee-Carson Irrigation District didn't do very well but Sierra Pacific did fine (Kelso: Oh, yeah.) and Reno and Sparks did fine. And California and Nevada's allocated that interstate water for the first time, they're happy, they don't want to see that pried open.

Kelso: Yeah. Well, you know, there undoubtedly was a lot of good came out of that, no doubt. But, it

21 Barbara F. Vucanovich was the first woman and first Hispanic woman to represent the state of Nevada in the U.S House of Representatives from 1983 to 1997. Ms. Vucanovich also participated in Reclamation's Newlands Series oral history project. See, Barbara Vucanovich, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation Oral History Interview conducted by Donald B. Seney, edited by Donald B. Seney and desktop published by Brit Allan Storey, senior historian, Bureau of Reclamation, 2013, www.usbr.gov/history/oralhist.html.

stopped at the Reno-Sparks treatment facility. Well, I shouldn't say that. Maybe I should say it stopped at Derby Dam. The tribe, although they haven't gotten everything that they've wanted yet, they're doing pretty good with the agreements with Reno and Sparks and the state and the feds, and they're not doing too bad. I think Fish and Wildlife's guiding them. They don't want strangers floating around out there around their hatchery and their ladder. But anyway, that's another personal opinion. (Chuckles)

Back to the Settlement II Negotiations

Seney: But back to the Settlement II negotiations, I've been told it really wasn't clear until the very last day that it wasn't going to go. Was that your feeling, or did you have a sense before the very last day that this was maybe not going to happen?

Kelso: No, I was optimistic all through it. There were sessions that nothing was accomplished: I mean there was a lot of head bashing and a lot of derogatory remarks made. I remained optimistic up until that last day. But the last day, you could see it. Not only could you see it, you could feel it in the room; the frustration, there was

frustration there. Even though we all signed a statement and the press release was what it was, you could feel it and it was disappointing, it really was.

So, the only way that I could feel better about it or feel good about it was the fact that we did, as far as I'm concerned, have some successes. We maybe didn't get the agreement, but we did have some successes. We made some great inroads as far as being able to sit down and talk to people that were the powers that be. So, I tried to take the negative and make a positive out of it for *my* feelings and for the people that we worked together with. And I think that was the important issue at that time.

Seney: You know, I think as people read this in years hence, there will be a lot of documentation finally available on the negotiations. And who knows, some people may have kept notes. And I know people took notes but I mean more like a diary about (Kelso: Yeah.) feelings and reactions. But, for our purposes here, can you give me—even if you have to kind of put a bunch of the meetings together—a sense of what those meetings were like? Can you give us a flavor of what they were like?

Kelso: Well, I think everybody was very serious about

trying to reach an agreed settlement. I'm not sure that the tribe was . . .

Seney: The Pyramid Lake Tribe you mean?

Kelso: Yeah, the Pyramid Lake Tribe. I don't think they wanted to give up anything. I *know* they didn't. They still don't. They didn't in the past. They don't now, and I don't think they want to in the future. So, there was a conflict with that most of the time. There were times when Gail Bingham²² would admonish them—and others—but there were times that she didn't either. She had a tough row to hoe. That's a lot of muscle in one room for one person to try to facilitate and reach a conclusion.

Seney: She do a pretty good job, do you think?

Kelso: I thought she did, yeah. Considering what she had to go through and considering the people involved. Yes, I thought she did a good job. I liked her. She was almost emotionally involved

22 Gail Bingham participated in Reclamation's Newlands Series oral history project. See, Gail Bingham, *Oral History Interview*, Transcript of tape-recorded Bureau of Reclamation Oral History Interview conducted by Donald B. Seney, edited by Donald B. Seney and desktop published by Brit Allan Storey, senior historian, Bureau of Reclamation, 2009, www.usbr.gov/history/oralhist.html.

in this thing by the time she left here. That was my conclusion, that she was emotionally involved in this thing, that she really wanted to see conclusion. And, I guess you could look at that two ways: I mean, that was her job and her firm probably didn't get a great recommend out of this second round. But on the other hand, as far as her personally, I thought she did as credible a job as she could have done in that thing. That's kind of my feeling about it. I don't want to sit around pointing fingers at anybody because we all had our points, and we all our bottom lines.

Seney: No, I don't really want you to point fingers at people. I mean, was it long? Was it tedious? Was it boring? Was it exciting? I mean maybe it was all of those things at times.

Kelso: It was all of those things.

Seney: That's more what I'm thinking. (Kelso: Yeah.) I mean rather than talking about maybe Gail Bingham in particular or any of the other individuals in particular. Just kind of give us a sense of what these meetings were like.

Problems Agreeing on Models for the River System

Kelso: Well, there were times when it *was* exciting and

interesting. I think the things that got really the most boring, for *me* anyway, were times when we were going through some of the numbers and the modeling. I mean that modeling can go on and on and on and *on* and on, and everybody had one. That was another problem, everybody had a model, [we] couldn't seem to get to one model that everybody could live with. So, when the modeling was done and the modeling group got together, all these facts and figures come out and they didn't mean a hell of a lot to me—pardon my French. It just didn't seem like that was part of the game. But, the numbers were one of the important factors, and it had to be. And I suppose the modeling probably guided a large part of the negotiations, that working group that was working on the modeling.

Seney: Right. Well, my understanding is, as you say, that nobody could agree on the numbers. That there were important discrepancies on important numbers (Kelso: Yeah.) and those just foreclosed resolving this through modeling. (Kelso: Yes.) I mean, you'd think that the modeling would give you, everybody would say, "Ah! *That's* the way we'll go then. Well, I guess if that's it we'll have to go along with it." But nobody came to that because they'd say, "Wait a minute, that number's not right, put this one in."

Kelso: Yeah, I don't know how many different models there were. There had to be . . . Well, the environmentalists had their model.

Seney: Well, they were chief among models, I know David Yargas (Kelso: Oh, yeah.) is a modeler. (Kelso: Yeah.) Yeah.

Kelso: I don't agree with his tactics all of the time, but I believe that he was one of the movers in the modeling group. Because I think that's his forte, and it didn't seem to get to the point where we could all agree on one model.

That was one of the goals too of the L-V-E-A, was that we wind up with one model that everybody could live with. That if you were to go home and want to work on your computer and work on the model, that you could call me on the phone and I could plug into the computer and we could both work on the same numbers on the same level, and that wasn't happening. That just wasn't happening.

Seney: Let me turn this over.

END OF SIDE A, TAPE 2.
BEGINNING OF SIDE B, TAPE 2.

Seney: Could it have been done without modeling, the

negotiations? Could they have been carried on without trying to do the modeling? Perhaps they *couldn't* have been.

Kelso: No, I don't think so.

Seney: Because you've got to be able to predict the consequences of various allocations, right? (Kelso: Right.) And modeling's the only thing that even remotely permits you to do that.

Kelso: That's true, I agree with that. But I believe that there has to be a better way of arriving at that conclusion without the Bureau of Reclamation having a model, and Sierra Pacific [Power] having a model, and the Environmental Defense Fund having a model, and the tribe having a model. You know, I mean they all had a model! And they all *believed* in their model. Now, how can that be? We've got five or six models here and they're all right! Well, somewhere in here we've got to get that condensed down to where there's *one* model that's going to fit the area, and it didn't work that way. But I don't think it could have worked without it.

Role of Project Farmers as Negotiations Proceeded

Seney: One of the comments that I've heard in

interviewing people is that as the negotiations went along, that the interests of the farmers tended to increase in the L-V-E-A and that specifically, Lyman McConnell started out at the back of the room and slowly moved forward and ended up at the table. And the closer he got to the table, the more remote the possibility of an agreement became. (both chuckle)

Kelso: Well, maybe but I didn't see it like that.

Seney: I mean I like Lyman, I'm not trying to bad mouth him.

Kelso: Yeah, I understand that. But I sat right back there too, and I don't think Lyman wound up at that table as much as some people want to believe that he did. He was there because of his knowledge and his history of the project. Not only that, but his knowledge of the litigation involved, past, present, and whatever. And so, he was there as a technician, in reality, at times. So, I can see where some people would feel that way, but I didn't feel that Lyman was part of the problem. He may not have been the whole solution, but I don't think he was a big part of the problem.

Seney: Do you think the modeling was the problem?

Kelso: No, it got down to personalities at times. So no, it was the whole thing, it just wasn't ready, it wasn't time.

No, it wasn't time for it.

The Role of Senator Harry Reid

Seney: How would you evaluate the role of Senator Reid in all of this?

Kelso: (sigh, pause) Well, I think the senator wanted to make sure that the constituents were all satisfied that they all got their shot at it. I think that 101-618 was in the bag and that was what mattered to Senator Reid.

Seney: Why do I get the feeling you're not telling me everything I'd like to know about him?

Kelso: (chuckles) I don't know, because I'm not a real fan of Senator Reid. I voted for him, but I'm not a real fan.

Seney: So you don't see him, though, as a particular villain in any of this?

Kelso: Yeah, I sure do. I think the fact that he, along with Senator [Bill] Bradley, was one of the

instigators in the beginning of this thing, the Senate bill 1554 and 101-618. Yeah, I think they were both villains, as far as the people in this area are concerned. I understand that we all have to try to protect the environment, but in my mind there has to be a middle ground. You can't allow ninety years of history to get out to the ninetieth year and then jump back to the beginning—there's no way, can't happen. You're going to destroy something in the process, and what you destroy is people's lives. You know, you don't destroy feelings, the feelings are there, but what you do destroy is lives. I mean, you uproot people, a lot of them move. There's depression, those kinds of things. And you don't see that unless you're out there, unless you're sitting there with those guys in those meetings. And there was times we'd have three, four, five meetings a week, and they go four or five hours or longer, and you could see it in their faces. Those were the kind of things that these things hurt.

What is an Ecosystem Along the Rivers and Canals?

I mentioned the ecosystem. One of the things that the town of Fernley would like to have seen out of this was the fact that all of these old cottonwood trees along these canals, they all support a certain amount of wildlife. It may just be a magpie, or it may be an owl, or a hawk with

a nest in it, different kind of creatures that feed on those things. And the fact that they convert carbon dioxide to oxygen and it keeps the area cleaner than it would [otherwise]. And without that ecosystem, this town would be a real desert. I mean, there's enough sand around here now, if you didn't have those kind of things along those ditch banks. So, the ecosystem in the Truckee River, the ecosystem in the canal, in the Fernley area, we have a wetlands out here in Fernley that we tried desperately to get into their 25,000 [acres of wetlands mandated in Public Law 101-618] but they wouldn't do that. So, we're going to try to do something with it ourself. We got the state looking at it.

But that's what really hurts in this thing, is the fact that you have those people who are uprooted and despondent. So, in that respect, I think they're villains.

The Role of the Environmental Community

Seney: How do you feel about the environmentalists in terms of their willingness to negotiate these matters and their flexibility?

Kelso: Not real flexible. Not real flexible.

- Seney: Do you see a difference between the Environmental Defense Fund and the Nature Conservancy in that regard?
- Kelso: Oh, definitely, yeah. The Environmental Defense Fund is more radical.
- Seney: We're really talking about individuals here aren't we? Individual personalities in a sense?
- Kelso: Well, I suppose you could do that.
- Seney: I mean, I don't want to draw you into this but so often, you've extolled Betsy Rieke, as everyone does, (Kelso: Yeah.) but there are others, Fred Disheroon, for example, who is probably the acknowledged villain. He and Bob Peleyger are fighting it out for it.
- Kelso: Yeah, they're pretty close, though.
- Seney: Enemy Number One. So, I mean it does often get down to the fact of who is the individual who is representing the policy and Betsy Rieke could represent the policy and do it in a way which was not offensive or threatening, as opposed to, say, Bill Bettenberg, who is viewed in quite another way, often. (Kelso: Yeah.) So, I mean, I don't want to drag you into a discussion of personalities, but certainly it *is* a factor, there's

no question about it.

Kelso: Well, what I was going to say about that is that you can look at it as the two different people sitting there. But I truly believe in my mind that the organizations are different. I think that the [Environmental] Defense Fund is more radical, I don't know that they're radical—yeah, they're radical. And the other guys, well, they kind of had a job to do. I mean the Environmental Defense Fund would go out and buy the land and then give it to them to disperse or whatever they had to do. So in that respect, I think the two groups are kind of different tacks.

I think David's [Yardas] one of the intellectuals that he knows what his position is, and brother, that's it. That's where it's at. Although he did mention that; how'd he say it? He said, "When I first come up here I had long hair and two-toned tennis shoes. Now my hair's short." So I don't remember how it was, it something along that line.

Sue Oldham of Sierra Pacific Power

Seney: I understand Sue Oldham played a positive role, people say. That Sierra Pacific Power didn't really want that much, they were kind of

protecting the agreement they had in the Preliminary Settlement Agreement. Was that your kind of take on that?

Kelso: Yeah, to a certain extent. I think that Sue Oldham is a statesman. We talked about the statesmen—she's a statesman. She knows what buttons to push, and if she has to push them, she can, but she doesn't use that tack. So, I was impressed with her. I've known her for three or four or five years, I guess, and have always gotten along with her. But she's out there to do more than to protect their position with the legislation. I mean, you know, they're a corporation and they have a bottom line and they need to take care of that. She's part of that.

One of the things that I think she *did* do that was positive—one of the important things—was that if you were to get into a brainstorming session, which we had several of, she wasn't bashful about throwing out ideas—radical or whatever. I mean, if we needed to get something moving, you could count on her to throw something out that would get people talking, whether it was good, bad, or indifferent. And she took a little heat for that a couple of times, but I think that she did that because she felt that somebody needed to move off center. So yeah, I think she was a very positive force in

it, considering her position in the company.

Negotiations Failed But There were Positive Effects

Seney: Right. So right up to the end you were optimistic?

Kelso: Yeah, I was.

Seney: Do you remember your feelings driving home from that meeting?

Kelso: Yeah, I was upset, angry, disappointed—all of those things at different times (both chuckle)—tired.

Seney: Tired, I'm sure very tired. But overall you think still that the kind of consensus that the Lahontan Valley community was able to arrive at was valuable and maybe *invaluable*?

Kelso: Oh, yeah. That had never happened over there in the past, and the fact that the Alliance did what they did was probably one of the more positive aspects of this whole thing. The fact that they did pull together as a community. I mean we had all kinds of people involved over there. There was realtors involved, there was business people involved. Not that realtors aren't business

people. You had C-P-As, you had school teachers, just to pull out a few of them, it was community-wide. It was an amazing process, and that's the first time I've ever been involved in anything of that magnitude from its inception to the point it is today, and they're still working today.

Seney: Have you remained active?

Kelso: I haven't for a while, but I got this full-time job. And it's pretty tough to get off at six o'clock and drive to Fallon and sit through a three-hour meeting and drive home and then get up at four o'clock in the morning. So, I haven't stayed active, but I do need to get back and do it.

Seney: Well, I suppose from a personal point of view you need a little break from it as well, don't you? I mean not only do you need to make a little money after all the time you've put in on this, but I expect a break is not out of order either?

Kelso: No, and I don't feel bad about taking a break. I feel like I accomplished some of the things that I set out to accomplish. And maybe I didn't accomplish all of them, but I did work real hard at it and tried to see that it worked. So, I don't feel too bad about taking a little sabbatical.

Recreation on Lake Lahontan

Seney: You know, one of the things I'd like you to comment on that you, I thought, stressed in your testimony before Bradley and Reid, in December of '93, was the recreational aspects of Lake Lahontan. You felt that that was important, I thought, and maybe you'd like to comment on that portion?

Kelso: Yeah, I really would because recreation to the public is one of the ways that they relieve stress. I mean we all have a five- or a six-day-a-week job. And we all have our kids and we all have their problems with the school or whatever they are. But if you don't have an opportunity for people to get out and relax and recreate, whether it be boat or swim or fish or whatever, that lake down there is *all* of those things to a large number of people. So, the mere fact that it serves as a gathering point for as many people as it does in northwestern Nevada would be reason enough to try to protect it. I didn't feel at the beginning that the state [of Nevada] was trying to protect that the way they should. After we got into this thing, they came around.

Seney: That was their position in the negotiation, wasn't it, (Kelso: Yes.) to protect the recreational value

of Lahontan?

Kelso: And the fishery. They have a fishery down there that they're working at and trying to build up. So yes, that was their position during the negotiations. I found out through the town of Fernley and being on the board and our parks, that if you don't have those things for these people to use, you got trouble. You're going to have people vandalizing or kids vandalizing. We have enough of that as it is. But the fact is that the facility is there and it should be protected and used. It's as important to the ecosystem in reality as anything else that you could do. So, that was one of the focal points.

Seney: Do you think at some point the recreation associated with Lahontan and the wetlands down in Stillwater²³ and Pyramid Lake might be more important than the agriculture in Fallon?

Kelso: Oh . . . yeah, I think that's going to be the natural progression. Nevada as a whole, but northwestern Nevada is changing. They're becoming more of a tourist-oriented area, there's more industry—not heavy industry but light

23 U.S. Fish and Wildlife Service, "Stillwater National Wildlife Refuge is located in the Lahontan Valley of north-central Nevada, near the community of Fallon, sixty miles east of Reno," www.fws.gov/refuge/Stillwater/about.html.

industry and warehousing, that kind of stuff. So, we have to be very careful and make sure that those things do remain available and important to the people, who for whatever reason, want to see it last. So yeah, I think so.

Seney: Well, I think I've asked about everything I wanted. Anything we didn't cover that's important?

The Town of Fernley has Instituted a Well Head Protection Program

Kelso: I think a couple of things that the Town of Fernley has done because of the original bill and the current bill. The Town of Fernley has instituted not only that ordinance that I told you about to provide a resource for the future, but we also instituted a well head protection program.

Seney: What does that mean?

Kelso: That's a program sponsored by the E-P-A [Environmental Protection Agency]. In fact, we got grant dollars from them to put it into place. It gives the town the opportunity to protect the groundwater. We can dictate through planning and zoning or through ordinances or zoning overlays, that if we feel that the user is risking

contamination of the aquifer, that we can step in and do something about it. We have that in place to do that. So, that's another thing that we did to kind of protect our environment and our aquifer.

Seney: Sounds to me like you've got a pretty capable board, pretty farsighted.

Kelso: I'd like to think that we're progressive. We're willing to sit down and listen to anything that makes sense and if it doesn't make sense, maybe we can work at it and *get* it to make sense. I think the majority of these guys are pretty open-minded, willing to look at new things. I know that's the way I like to look at them to see that everything get's its minute, or at least its time before the board to check it out.

The Value Personally of the Negotiations and Serving on the Town Board

Seney: Right. Was there anything else you'd like to add?

Kelso: No, it was a great experience. I don't think that I'll ever have another experience like it.

Seney: You're talking now about the negotiations particularly?

Kelso: Yeah. And the time that I've served on this board. I've got about three years left in my term. I know that there isn't going to be anything quite like this past experience. But I've met some really great people, and I've met some people who I know tried diligently to see that this worked. I don't think anybody in this process should be faulted just because we didn't walk out of there with something on paper.

Seney: Did it give you a little more faith in the governing process?

Kelso: Yeah, some of it, portions of it, it did. Because you were able to be there and see that it happened. So yeah, in that respect I believe it was—gave me a better insight. Well, I know it gave me a better insight. (both chuckle) I can't think of anything else, other than that water is going to be one of the most expensive commodities there is on the market here one of these days. So, we're all going to have to start looking at paying more for it to make sure we all have some, no doubt.

Seney: And price in the end will dictate who gets it?

Kelso: Well, the guy who's got the money's going to dictate who gets it.

Seney: That's what I mean, the price, yeah.

Kelso: Yeah, that's true, it is going to [those who can pay]. Some are going to get hurt over it and some are going to benefit by it. But if we all try to work together and share it, rather than try to hoard it, I think we'll be a lot better off: Try to work out a way to share it instead of one or two entities winding up with the majority.

Seney: Well, thank you, on behalf of the Bureau. I really appreciate your giving me this time to talk to me about these matters.

Kelso: Well, I enjoyed it. I'm glad you came. I probably needed to do that just to kind of bring it back and kind of recall it and see how it felt.

Seney: Well, you know, sometimes I think, "Well, should we come right away when the details are fresh, or should we sacrifice some of the details when you've had time to think about it and let it sink in a little bit?" It's always a hard call which to do. Obviously we've done the latter in this case, but your understandings and insights are going to be very valuable and I really appreciate it.

Kelso: It's my pleasure.

Seney: Alright, thank you.

END OF SIDE B, TAPE 2.
END OF INTERVIEW.