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State could quench Nevada's thirst

By John Sanko

Rocky Mountain News Capitol Bureau

Parched areas of southern Nevada someday could enjoy vast new supplies of Colorado River water under a leasing agreement that supporters predict will be a major benefit to Colorado and Nevada.

But Colorado water officials are skeptical.

Representatives of Chevron

Shale Oil Co. and Getty Oil Exploration Co. on Tuesday unveiled what they called a "bold new plan," but stressed it is in the most preliminary stage.

Basically, the plan involves leasing 175,000 acre-feet of water annually for use in an area near Las Vegas in exchange for construction of a \$200 million reservoir in western Colorado and nearly \$9 million a year in lease money to the state.

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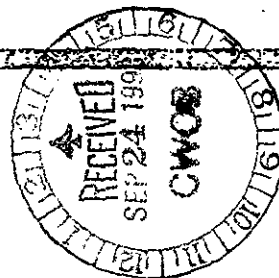
COLORADO NATIONAL BANKS

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Roan Creek

Nevada



Section **B**

Tuesday, September 21, 1993 b

Las Vegas Review-Journal

Page 18

Nevada water supply assured

□ A federal official vows new rules will guarantee the state won't run dry.

By Mary Hynes
Review-Journal

Bureau of Reclamation Commissioner Dan Beard offered assurances Monday that Southern Nevada would not run dry early in the next century, pledging relief in the form of new regulations that will allow water transfers among Arizona, California and Nevada.

"You simply cannot allow 1 million people to face the prospect of insufficient water supplies," Beard said in an interview that followed an afternoon speech to Western state lawmakers. "It is something that has never happened in this country."

The head of the federal water agency told the roughly 60 people attending his speech that "Southern Nevada

problems are the highest priority we have in the lower basin at this point."

The lower basin of the Colorado River includes Nevada, Arizona and California.

Regulations being drafted by the bureau would allow the transfer of water among the lower basin states, he said, without giving details.

Urban areas of the lower basin states share a common interest in ensuring that their thirst is quenched, Beard said. They also have the money to pay for new water supplies.

"Water flows uphill to money, to be perfectly crude about it," he said. "They've got the money, they've got the votes" in Congress and in state legislatures.

But Beard said the transfer of water from the upper basin states — Colorado, Wyoming, Utah and New

Mexico — is unlikely at this point. When a Colorado legislator asked about a proposal to sell water downstream to Nevada, Beard said, "Believe me, there's no chance of having that go through."

He later confirmed he was referring to the so-called Roan Creek project, a proposal by a Colorado oil shale company to lease its substantial water rights to Nevada.

The commissioner did not foresee all seven Colorado River basin states agreeing to the deal, and also thought that legal costs and environmental concerns would contribute to its demise.

Tom Cahill, director of Nevada's Colorado River Commission, said the state had not given up on Roan Creek but did not intend to "pursue litigation" to carry the proposal forward.

Beard said additional water should
Please see BEARD/2B



Wayne C. Korte/Review-Journal

Bureau of Reclamation chief Dan Beard on Monday pledged that Nevada won't run dry.

Beard

From 1B
become available through conservation and by shifting supplies from agricultural to urban uses. He also pledged that environmental groups and Indian tribes would have a stronger voice in water policy decisions.

In his speech, part of the Western Legislative Conference's annual meeting at the Sahara Hotel, Beard quickly switched from water policy issues to Vice President Al Gore's national performance review for "reinventing government" and its application to the bureau.

He showed a series of slides emphasizing the report's tenets, such as "cutting red tape" and

"empowering federal employees." Beard said he planned to apply these principles to his agency by, for example, promoting a "change of organization culture and attitude" and by delegating "authority to the lowest appropriate level."

The agency should be able to save \$108 billion over five years, he said. He called a proposal for "downsizing" the organization by 500 people a "gutay" move. This would be a 6.6 percent cut in the agency's 7,500-member work force.

The Western Legislative Conference, which continues through Wednesday, is expected to draw about 600 people.

THE DENVER POST

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Don't bet the farm on plan to lease water to Las Vegas

THE LATEST plan to export Western Slope water to urban users far downstream has dredged up more than the usual amount of opposition from Colorado water officials, who have repeatedly decried such schemes as a threat to entitlements.

This time, the critics are warning that Front Range water supplies might be in jeopardy. That should alarm even those who don't see much difference between transferring water to out-of-state interests to the west and diverting it through the mountains to the east.

Colorado stands to make millions from the proposed deal, under which a reservoir would be built north of the small town of DeBeque and the water in it would be leased to Nevada for up to 50 years as an interim supply for Las Vegas.

The danger is that the developers of the water in question, Chevron and Getty oil-shale subsidiaries, would have more senior rights than the users of some existing reservoirs upstream — including the Windy Gap project west of Granby, which has been seen as a potential source of water for Denver's northern suburbs.

Simply put, this could mean that in an extended drought, Front Range residents might have to quit watering their gardens so the cas-

inos in Las Vegas could keep their artificial waterfalls running.

Obviously, this concern will have to be addressed before any dirt is dug. But the issue of Front Range impacts is hardly the only obstacle to the \$200 million project.

It also could be torpedoed as a threat to endangered fish, which under federal law may have a stronger claim to the heavy spring flows that would be siphoned out of the Colorado River and trapped behind the new dam on Roan Creek. Indeed, the U.S. Fish and Wildlife Service has just proposed designating the entire stretch downstream from DeBeque to Lake Powell as a critical habitat for the four native species involved.

Additionally, the plan might upset some ongoing negotiations over an interstate leasing arrangement proposed by 10 Indian tribes, which also claim rights to water from the Colorado River system.

In the long run, Las Vegas might well be able to swing a deal under which it could dip a bigger bucket into Lake Mead. But for the next several years at least, it should be looking for less-speculative ways to quench its thirst, such as subsidizing conservation or reserving more agricultural water for municipal use, as its neighbors in California have started to do in earnest.

Chuck Little - might want to see to it
3/1

Oil company promotes water leasing to Nevada

By Amy Malick
Herald City Editor

Denver 2-18-93

A Chevron Shale Oil Co. official says the company's plan to lease Colorado River water to Nevada in exchange for a reservoir near Grand Junction would be a big plus to both states and two oil companies.

Gary Bishop, company manager, is making rounds through western Colorado to promote the innovative plan.

The Roan Creek project, proposed by Chevron USA and Getty Oil Exploration Co. on a tributary of the Colorado northeast of Grand Junction, would provide Colorado with a new reservoir, boost the local economy and benefit endangered fish, Bishop said.

"We've tried to look at negative impacts, and we don't see any," Bishop said.

Southwest Colorado water users aren't so sure. While not dismissing the plan completely, they're casting a wary eye.

"I'm not opposed to it at this point, but I have to study it more," said Fred Kroeger, board chairman for the Southwest Water Conservation District. The district plans to invite project representatives to speak at a water conference in Dur-

ango in March.

Sam Maynes, attorney for the Southern Ute Indian Tribe and area water districts, said the districts would follow the lead of state officials, who so far question the project's impact on water law.

State officials are concerned the project might jeopardize the state's interests concerning compact entitlements to Colorado River water.

One major concern is that marketing or leasing water on an interstate basis could open the door for an unregulated private water market on the Colorado River. Under U.S. Supreme Court interstate-commerce decisions, once one party leases the state's water out-of-state, anyone can.

"We want to take a long, hard look at the proposal to see if it endangers Colorado's entitlements," Maynes said.

Roan Creek would have a clear impact on the Southern Ute and Ute Mountain Ute tribes, Maynes said. Once non-Indians lease water out of state, the tribes are free to lease Dolores and Animas-La Plata project water.

Bishop said the Roan Creek project would work this way:

- Chevron and Getty would temporarily lease rights already adjudicated for oil-shale production to southern Nevada for municipal use for a period of 30-50 years.

- In return, Nevada would construct a storage facility of up to 175,000 acre-feet capacity on Roan Creek, about four miles north of DeBeque.

- Nevada would get a temporary, stable source of water while it works to develop more permanent sources elsewhere, and Colorado would get a \$200 million storage and recreation facility.

- Colorado would get \$8 million a year in lease revenue.

- Once the lease ends, Getty and Chevron would use the reservoir to develop oil shale.

Bishop said the project would help Colorado claim a portion of its entitlement, and that safeguards built into the lease and the water-use decree would ensure Colorado gets the water back when the lease expires.

He said the project provides a way for the companies to protect their water rights until oil-shale development is economically feasible.

"We are concerned that 800,000 acre-feet is leaving Colorado every year. We don't feel comfortable that when we want it for oil shale, we will be able to get it back," Bishop said.

"To us it makes some sense to enter into a contractual relationship with strings attached to allow us to get it back."

Bishop said the state's concern that Roan Creek will open the door for farmers to lease their water, thus drying up West Slope agricultural land, is a "red herring."

"If this project doesn't go through, what difference does it make? Our attorneys say the door is already open," Bishop said.

File

LEGISLATURE '93

Reid thinks Colorado water deal

By Cy Ryan.

SUN CAPITAL BUREAU

CARSON CITY - A plan for Clark County to acquire an additional 175,000 acre-feet of Colorado River water from two oil companies "will never sail," according to Sen. Harry Reid, D-Nev.

The Colorado River Commission in February announced a plan to lease the water for 30 to 50 years from Chevron and Getty oil companies in Colorado. In return, Nevada would build about \$200 million in reservoir facilities for the firms.

But opposition from neighboring states will kill the deal, Reid told newsmen Monday after

addressing the Legislature.

Reid said, "The Colorado deal wasn't something in the long run that will help on the water things I have been working on."

Asked if Nevada should back off, Reid said, "That deal will never sail. Forget about it."

Not everyone agrees.

"I still feel there is a possibility of it working," CRC director Tom Cahill said, even though no contract has been drawn up yet. "Some of the states have expressed concerns, but I think those concerns can be eventually resolved."

"I am not ready at this time to set it aside as one of the options

"You can't have the Colorado River Commission do a deal and have the Southern Nevada Water Agency read about it in the paper."

Sen. Harry Reid

we are looking at," Cahill said.

Reid said the Legislature may have to step in to stop the internal squabbling between the Colorado River Commission and the Southern Nevada Water Authority.

"You can't have the Colorado River Commission do a deal and have the Southern Nevada Water Agency read about it in the paper," he said. "You can't

have Southern Nevada doing a deal and the Colorado River Commission wakes up the next morning and reads about it in the newspaper."

He said the state must step carefully in the slippery arena of water politics.

Nevada, Reid said, "cannot afford to incur the ire of other Western states in our search for water. And we certainly cannot

afford to anger the solutions which others as a violation of the River.

"To do so is not it is foolish, for the wrath of the very whom we must we our common problem

Reid addressed as well:

■ He and others are working on a contract to overhaul the 187 Reid, son of a Senator would prefer a 2 percent the net proceeds mining companies; 8½ percent to 12 percent by the Clinton administration

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Reid said that would mean
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■ Reid said he initially
received "tremendous negative
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country for challenging Ross
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told him he was an "a-hole," the
senator said.

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But he said that as the news
got out, he received 9-1 backing
in Nevada and now is getting
"significant" support nationally.
People are even sending him
money under the mistaken belief
that he is up for election next
year.

Financial woes beset water plan

High cost of litigation
between Colorado and
Nevada could send the
profits down the drain

Associated Press

A proposal to send water from western Colorado to Nevada for 30 to 50 years may be financially beneficial to both states, but legal battles will be a financial drain, legislators were told Wednesday.

Representatives of Chevron and Getty Oil; Ken Salazar, head of the state Department of Natural Resources; Attorney General Gale Norton; and conservancy district representatives described the Roan Creek project's benefits and drawbacks to the House and Senate judiciary committees.

The lease calls for between 100,000 and 200,000 acre-feet of water per year for the length of the contract. After the lease expires, Chevron and Getty would have use of the water for oil shale development. Nevada also would arrange for replacement water for Colorado.

Gary Bishop of Chevron said Chevron and Getty would build the \$200 million dam and 175,000 acre-foot reservoir near Debeque, using the oil companies' reserved Colorado River water rights and Nevada money. In exchange, Nevada would receive a water supply to help it cope with burgeoning population.

Norton said she is a committed supporter of marketing, but Colorado must determine its best long-term position. And, she said, "at best it means expensive and time-consuming litigation," she said.

"And the benefit has to be worth the litigation. We've not done an analysis, but it could wind up against us in 20 to 30 years."

Salazar said he and officials in his department are not "the opponents," as Chevron-Getty representatives characterized them, "but we have great concerns."

"I do not want to see farmers and ranchers on the Western Slope, or in the Rio Grande Valley, dry up for casinos in Nevada," he said, adding that he also is concerned about Colorado's ability to later develop undeveloped portions of the Colorado River.

Chuck Lile, director of the Colorado Water Conservation Board, said charges that the state is not now developing water projects are untrue.

State engineer Hal Simpson said the state is aware of the water rights held by the oil companies, but sending water to Nevada might put an additional drain on the Green Mountain Reservoir and the Reudi Reservoir.

Jim Lockhead of the Colorado Water Conservation Board said he saw no difference between this proposal and the Galloway proposal of several years ago that would have sold Colorado water to San Diego for domestic use.

Roan Creek Folder

3/18/83

Roan Creek - Fish

3/22/93 cc. Ken
Chuck
Hal

The Capitol Reporter

Officials still fretting over proposal to lease state water to Nevada

By CAROLYN J. MATHEWS

The Capitol Reporter

A plan to lease Colorado River water to Nevada continues to worry Colorado legislators and water officials despite assurances by lease proponents that the project is legal and beneficial to Colorado.

The Roan Creek project was introduced by Chevron Shale Oil Co. and Getty Oil Exploration Co. a month ago at a news conference. Since that time the proposed annual lease of 175,000 acre-feet of Colorado River water to Nevada for 30 to 50 years has raised questions concerning the legality of interstate water leases.

Also, Colorado water officials have opposed the project on the grounds that the lease could open up an unregulated water market in Colorado.

"Maybe we made a mistake by going public too soon," Gary E. Bishop, manager of Chevron Shale Oil Co. said at a joint meeting of the House and Senate Agriculture committees last week.

The project is in an early stage, and the companies intend to work with all interested parties, including the state of Colorado, to define the project, Bishop said.

Andy Williams, legal counsel for the oil companies, said, "We would not be here today if we did not believe that we could put the project together consistent with the law of the river."

Ken Salazar, executive director of the state Department of Natural Resources, said, "We are not the opponents of the Roan Creek project," but the state of Colorado cannot endorse something that could potentially threaten allotments.

Hal Simpson, state engineer, said he estimates that water conservancy districts and secondary water rights could be threatened by the amount of water that would be diverted by the lease.

Oil company representatives stressed that the water they propose to lease involves water rights owned by the oil companies for oil shale development.

Under the plan, water would be leased to Nevada for a limited period in exchange for the construction of a reservoir that eventually would help the oil companies extract oil from shale in western Colorado.

The state will realize several benefits including \$50 for each acre-foot (\$8 million annually) of water leased as provided under state statute, Williams said. Recreational use and the reservoir's potential of saving endangered species of fish are additional benefits, he said.

Sen. Linda Powers, D-Crested Butte, asked what other options Nevada has to fulfill its water demand.

Christopher Paulson, an attorney for Chevron, responded that Nevada is looking at Alaska and California as future water sources.

But the state faces a time crunch and the lease would provide an interim supply while other options are explored, Paulson said.



Las Vegas eyes Colo. for water

*cc. Jim
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Officials call Roan Creek Reservoir a short-term source for booming city

Associated Press

DE BEQUE — Nevada water officials, under pressure to find additional water sources for the booming Las Vegas, Nev., area, have toured the proposed Roan Creek Reservoir site to examine one possible source.

Chevron Oil is proposing leasing up to 175,000 acre-feet of water a year to Nevada, enough for 875,000 new residents. But it would only be for a limited period.

And with Colorado's Western Slope booming and demands for water increasing, it is not clear that the proposal could win approval.

"Roan Creek is not a final solution for Nevada, but it certainly can be part of the solution. And we're willing to investigate that," said Janet Rogers, chairwoman of the Colorado River Commission of Nevada.

Commission members toured the site Thursday with Grand Junction city and county officials.

Crowell said that before Nevada could lease the Roan water it would have to have a plan for a permanent future source.

Possibilities include an exchange deal with Mexico, buying water from farms or tapping the Virgin River.

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Western water SHOWDOWN

cc: Jim
Doug
Cassidy
Hart

Vegas to slake thirst? Bad bet

By Jennifer Gavin
Denver Post Staff Writer

LAS VEGAS — The marquee at the Desert Inn touts the rock group Air Supply. If Las Vegas city hall were to sport a giant sign like those in front of the casinos, it would clamor for "water supply."

The fastest-growing city in the U.S., Las Vegas needs water like blackjack players need aces. Some 31,000 new jobs were created in the past year, primarily because of giant new casinos. "And 31,000 new jobs is incredible," says John Schlegel, Las Vegas planning director.

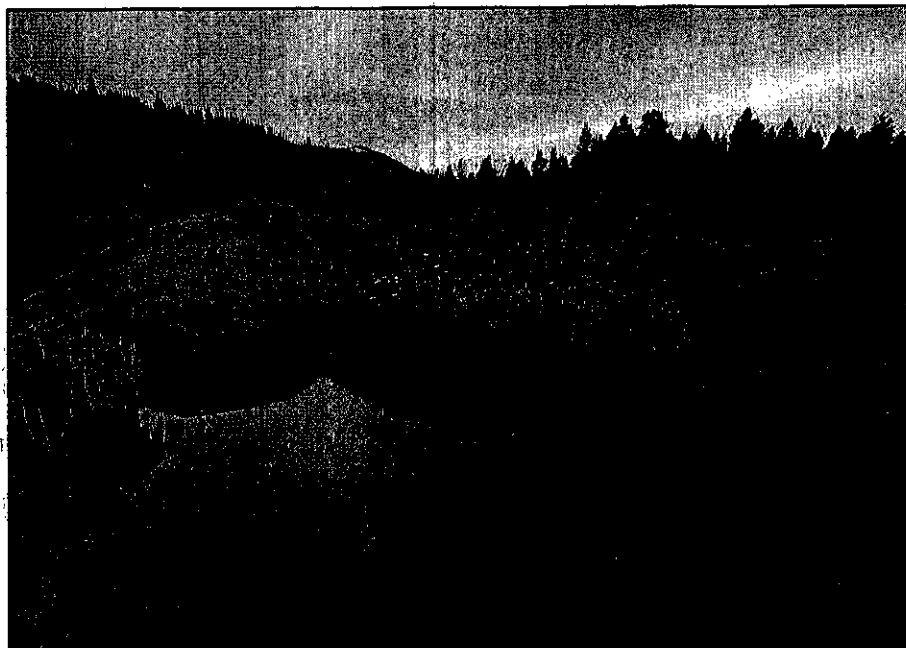
Three new casino/hotels — Treasure Island, the Luxor and the MGM Grand — contain a total of 11,000 rooms. Five more casinos are on drawing boards.

People pour into town for hotel and casino jobs, even though they are largely service work with low or moderate pay. As a result, the Las Vegas metro-area population is pushing 1 million. That's up from about 750,000 in 1990; 460,000 in 1980; and 275,000 in 1970.

The job seekers come even though Las Vegas, in early 1991, had to call a halt to new building permits when officials discovered that they might have over-committed available municipal water supplies.

The issue of water scarcity is keeping officials in neighboring states up nights. They worry about breaking up the Colorado River Compact to bring new water to teeming populations in Nevada and California.

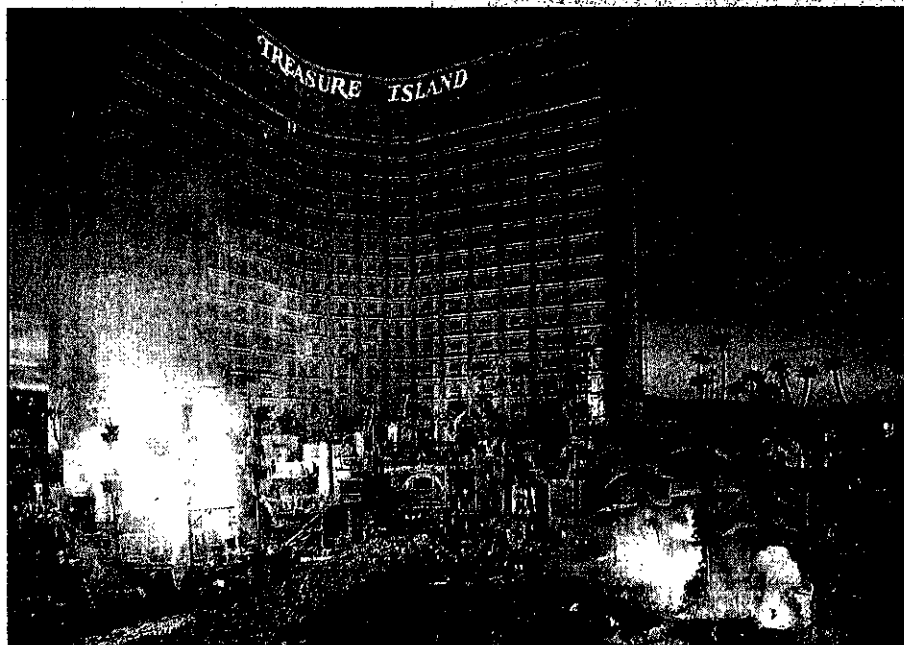
Please see **VEGAS** on 23A



SOURCE: The Colorado River trickles from headwaters in Rocky Mountain National Park, beginning its seven-state journey toward the

sea. Explosive urban growth is causing a tug-of-war among the states that share the river's water through a special treaty.

Special to The Denver Post / Jim Richardson



DESTINATION: Ships wage a phony battle on a manmade lagoon in front of the Treasure Island casino and hotel in Las Vegas, Nev. A

real battle over access to Colorado River water has prompted the thirsty city to order use of recycled water for such visual attractions.

Special to The Denver Post

Open Colo. market feared

By Jennifer Gavin
and Adriel Bettelheim
Denver Post Staff Writers

Out West, it's said that water flows uphill toward money.

That's more than bluster along the Colorado River, where rich, thirsty cities in Nevada and perhaps California are poised to use cash, Congress and even Colorado's own quirky laws to secure more water.

As growth takes off across the seven states covered in the Colorado River Compact that spells out water allocations, urban areas — especially Las Vegas — are investigating strategies that could make the desert bloom at other states' expense.

One such strategy could take advantage of the state of Colorado's longtime definition of water as "private property" that can be bought or sold. Water law is more restrictive in neighboring states, so Colorado would be the most vulnerable if Nevada maneuvered aggressively to buy up water from individual owners.

At least a half-dozen would-be water sellers in Colorado envision healthy profits, and they would prefer a hands-off approach by the state government. Colorado Gov. Roy Romer has other ideas.

"I don't have much control over Nevada. (But) I have been trying to send a message to the lower basin: 'You're not gonna do this while I'm governor,'" Romer said.

Romer and others are worried that sales could up-

Please see **RIVER** on 22A



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THE LAW OF THE RIVER

Water bidding war feared

RIVER from Page 1A

set the complex chessboard of water law. Ultimately, this could affect water rights that now are keeping taps flowing on Colorado's Front Range.

"If there were an interstate market on the river, Las Vegas could simply come into Colorado and buy up the Grand Valley and then transfer those agricultural water rights down to Las Vegas," said Jim Lochhead, executive director of the Colorado Department of Natural Resources.

In negotiations with the other states, Lochhead's department has been quietly reasserting Colorado's rights to 3.8 million acre-feet of water per year from the Colorado River system. As one of four "upper basin" states in the compact, Colorado has yet to use all the water allocated to it under the 1922 river treaty. That has allowed California and other "lower basin" states to keep taps and irrigation sprinklers flowing.

Meantime, several Colorado-based entities, such as oil companies, are interested in selling or leasing their water rights on the river or its tributaries. The Colorado Department of Natural Resources is fighting those attempts.

Nevada is pushing the limits of its allocation of 300,000 acre-feet a year. The amount was established when the river pact was signed 72 years ago. California has exceeded its limits for years but has started programs — at Romer's insistence — to eventually halt that.

Colorado's definition of water rights as private property is a concept so popular it may be politically impossible to change. But, if a bidding war erupted, that would leave Colorado in a more precarious position than neighboring water-rich states.

In Wyoming, water is a state-owned resource available to users by permit. Utah defines water as a salable property right, but it bars out-of-state sales.

Essentially, if one holder of Colorado water rights sells them privately to a buyer in another state, the interstate commerce clause of the U.S. Constitution could kick in. That could require equal treatment of other sellers and create an open market for water up and down the river system. Protections built into the compact for Colorado cities and farms could be destroyed.

"The state," Lochhead said, "would lose control of its water resources."

One proposal — the Roan Creek project — has been the focus of most recent concern. Nevada water officials last week toured the site.

The Roan Creek plan calls for a dam to be built on the Colorado River near De Beque, between Glenwood Springs and Grand Junction. The dam would be financed by money out of Nevada. Then that state would lease up to 175,000 acre-feet of water, using rights now held by Chevron Oil and Getty Oil, companies that originally bought the rights to produce oil from shale.

One acre-foot is about 326,000 gallons, or enough to meet the needs of a family of four for a year.

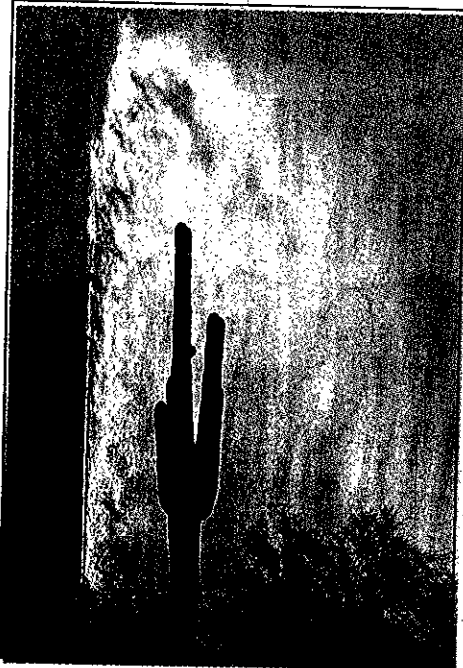
"Roan Creek is not a final solution for Nevada, but it certainly can be part of the solution. And we're willing to investigate that," said Janet Rogers, chairwoman of the Colorado River Commission of Nevada.

Roan Creek is not the only private-sale offer on the table. A total of 1.7 million acre-feet of water could be sold by Colorado holders to Nevada. These include:

- The Dominguez proposal on the Gunnison River, which would offer 1 million acre-feet.
- The Paradise proposal on the Colorado, 140,000 acre-feet.
- The NaTec proposal on the Colorado, 145,000 acre-feet.
- The Oak Creek Power Co. proposal on the Colorado, 200,000 acre-feet.
- The Rocky Mountain Power proposal on the White River, 60,000 acre-feet.

Without such individual sales, states could go to Congress in an attempt to reopen the compact. Many observers say a breakup of the compact by Congress isn't likely, even though the water-needy lower basin states have 66 votes in Congress, compared with 21 votes in the upper-basin states.

Like most states involved, California has internal squabbles over



Special to The Denver Post / Jim Richardson

ARIZONA

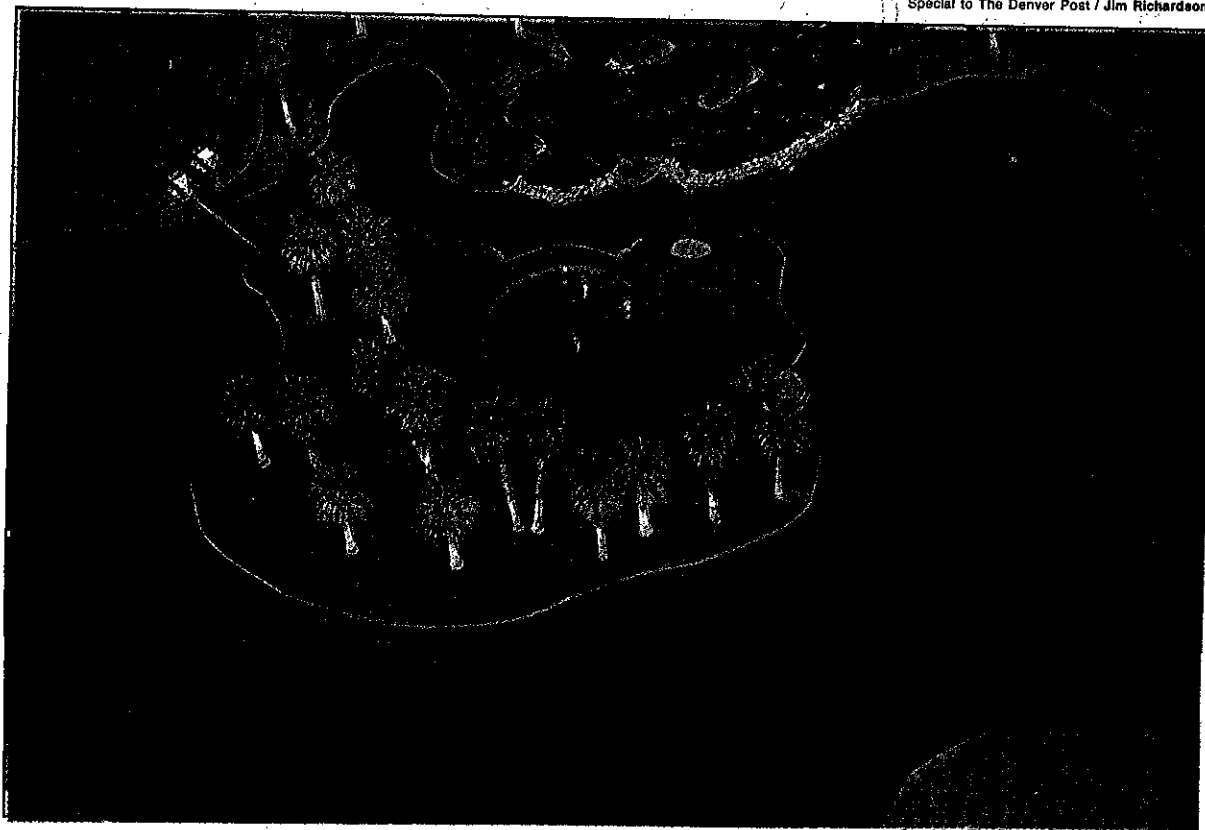
The highest fountain in the world sends water 630 feet above the Sonoran Desert floor in Fountain Hills, Ariz.



LAKE MEAD

The Colorado River swells behind Hoover Dam, shown here at sunset, to form Lake Mead, southeast of Las Vegas in Nevada.

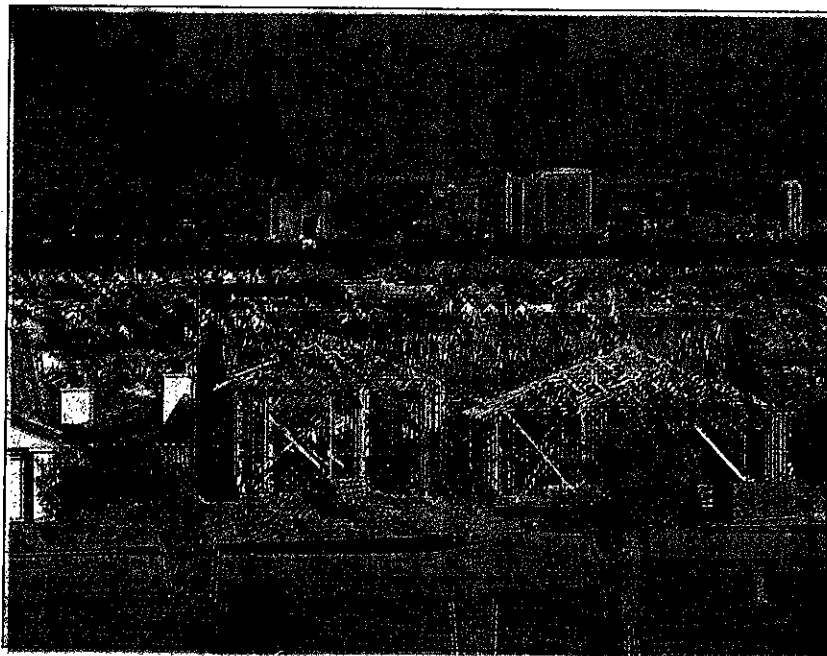
Special to The Denver Post / Jim Richardson



Special to The Denver Post / Jim Richardson

PALM SPRINGS

Verdant golf courses such as this one in Palm Springs, Calif., depend on Colorado River water to stay lush in their desert environment. California, which was allotted 4.4 million acre-feet of river water per year in the 1922 Colorado River Compact, has exceeded its limits for years.



Las Vegas Review-Journal

LAS VEGAS

The skyline of downtown Las Vegas, Nev., shimmers in the distance as homes go up in a nearby housing development. People are pouring into town for hotel and casino jobs, pushing the metro area's population toward 1 million. That's up from about 750,000 in 1990; 460,000 in 1980; and 275,000 in 1970.

COLORADO RIVER COMPACT FACTS

■ Signed in 1922, it establishes set amounts of water for Colorado, Wyoming, Utah, New Mexico, Nevada, Arizona and California. These limits vary sharply from state to state, and were based on initial estimates of likely future demand by each state.

■ Colorado, Wyoming, Utah and New Mexico also abide by a separate treaty among those "upper basin" states. Squabbles among the other three "lower basin" states prevented such an agreement for them. As a result, the federal Bureau of Reclamation plays a stronger role in the lower basin in brokering disputes. The bureau also controls federal dam use in both basins.

■ In 1944, the United States also agreed to deliver 1.5 million acre-feet of Colorado River water to Mexico each year.

■ Explosive growth in California has caused the state to exceed its limits on the compact many years. In 1991, during a drought, California officials asked for the right to take 400,000 acre-feet more than the state's allotment; Colorado Gov. Roy Romer agreed on condition that interstate talks begin to meet individual needs but still uphold the compact.

■ Though innovative steps are helping with California's problems, it may face drought as soon as next year, and booming Las Vegas has become a new sticking point in river relations.

10 tribes may affect water flow

Ten American Indian tribes that hold rights along the Colorado River or its tributaries also could affect how water is apportioned.

They could open up a market for water sales from one state to another, and some tribes have expressed interest in doing just that.

Colorado's two tribes, the Southern Utes and the Ute Mountain Utes, agreed in 1988 to be treated like other Colorado water users in a law approved by Congress. It states that those tribes can't sell their water unless other private users in Colorado — such as owners of the Roan Creek rights in western Colorado — start up a market first.

Leonard Burch, chairman of the Southern Utes, says that's not a fair restriction, especially with delays in construction of the Animas-LaPlata water project. The \$653 million project is supposed to supply long-promised water to Colorado reservations in the Four Corners area.

Animas-LaPlata has been approved by Congress, but is hung up over environmental concerns. It also may be scaled back. An Interior Department inspector general's report in July called it "economically infeasible" as originally planned. The report suggested cash payments to the tribes instead of the project being built at full scale.

If Animas-LaPlata isn't built soon, Burch said, the tribes may want to reassert their right to sell water rights to bring in some money to finance economic development.

"Our patience is wearing pretty thin now," he said. "We thought we complied with all the necessary requirements" for environmental issues in Animas-LaPlata. "Each time we finish with that, there's another roadblock."

If the Southern Utes did sell water rights, Burch said, the money would go toward "developing our natural resources on the land we own."

— Jennifer Gavin

water that could keep it from assembling a bloc of votes in Congress.

None of that eases anxiety. "Each state, while generally supportive of other states developing their apportionment, is fairly suspicious of activities in other states," says Sen. Ben Nighthorse Campbell, D-Colo.

Romer, Lochhead and other upper-basin officials have urged that the lower-basin states work out water trades among themselves to help cover droughts and handle growth. Such efforts have begun informally in California and Arizona, though it will take years for them to reach a scale that might make the lower basin self-sufficient.

Under new proposed regulations from the U.S. Bureau of Reclamation, which oversees the lower-basin through dam management, enough water should be available

for 10 to 20 years, says Elizabeth Rieke, assistant interior secretary.

Beyond that, well-planned shifts from farming to city use may keep lower-basin cities alive over the next century, she said.

"The needs of urban users over the next 100 years are less than 20 percent of the current deliveries to agriculture in the lower basin. So it should be possible to meet the urban needs from existing uses," Rieke said.

But Nevada is so close to using its full allotment that its officials are demanding a "flexible" reading of the compact and court opinions interpreting it.

"If the states are unable to accommodate each other, the Congress will have to become involved," said U.S. Sen. Harry Reid, D-Nevada.

As the West fills up, federal officials say they can pinpoint shifts that have changed water needs in the seven decades since the compact was signed.

"Agriculture, mining and timber are no longer the dominant economic enterprises," said reclamation commissioner Dan Beard, who oversees southwestern water projects for the Interior Department.

Fears that the upper-basin allotment will be drained by changes are unfounded, he said.

"Interstate transfers are only going to take place when the states agree that is what's going to take place," Beard said.

But with urban water demand surging, "The reality is, the world has changed."

Others believe what ought to be changing is growth policies.

"At the end of World War II, the West had about 16 million people; right now we're closing in on 60 million," says Charles Wilkinson, a University of Colorado law professor who specializes in regional issues. "If you read the letters to the editor in papers all across the West, in Reno or Boise or Jackson or Denver or Phoenix, you see a level of attention to growth that we've never had before."

"We're going to have to start reining in growth. Because if we don't, we're not going to have a West anymore; we're going to lose the distinctive qualities that brought people here to begin with."

THE LAW OF THE RIVER

Las Vegas puts its chips on continued pro-growth spin, but many hedge bets

VEGAS from Page 1A

Since 1991, competing area water agencies have reorganized into one powerful, cooperative entity in southern Nevada. It has bought or bargained for enough water to cover all bets and keep Las Vegas in the boom business for a few more years.

The Clark County planning department's mission statement calls for economic stimulation first, conservation of scarce resources last.

"The culture here has always been very pro-growth," Schlegel said. "There's no economic base here, other than the gaming."

Southern Nevada has a relatively small tax base. Gambling pays the freight for many public services, although voters recently have been hit with tax requests to finance schools and roads.

One or two Las Vegas officials have suggested carefully that more controlled growth might be worth at least starting to think about. But, Schlegel admits, "Nobody really wants to own up to it."

"They're afraid to voice that idea publicly because of the panic it would cause. The development community would go berserk. The banking community, which would have a lot invested in all these real estate projects, would have heartburn on these kinds of statements coming from public officials."

Meantime, roads and schools are getting jammed by the influx.

Clark County Commissioner Paul Christensen was one official who suggested, during a minor recession in 1991, that residents were getting fed up with the negative side effects of the boom. He urged planners to draft a policy of moderate and controlled growth.

"Today, Christensen calls that 'unrealistic. . . You can live wherever you want in this country. If you were able to stop growth, you would kill the community.'"

So pressure is on for Las Vegas to get more water in ways that are controversial in the arid West.

Area water officials filed for permission to pump and pipe water from northern counties in Nevada. That bid still is being pondered by state authorities.

And then there's the Colorado River, which backs up behind the Hoover Dam southeast of Las Vegas to form Lake Mead. Its huge volume might as well be a mirage to the locals, because the Colorado River compact only allots 300,000 acre-feet of water to Nevada. That's about one-fifth as much as evaporates off the river yearly in its roll to the sea.

Colorado, by comparison, gets 3.8 million acre-feet, much of which is unassigned to use within the state. Colorado officials are fighting attempts to create a market for sale of water up and down the river, saying that, in effect, would break down the compact that protects Colorado's right to use the water in the future.

Las Vegas was a tiny railroad stop in 1922, when the Colorado River compact was signed. Though its name is Spanish for "the mead-

ows," a reference to a marshy area where a water table emptied into the Colorado, most of Nevada was unlikely to sustain the agriculture that dominated state economies when the pact was signed.

That led to its annual allocation of 300,000 acre-feet. Today, greater Las Vegas is growing at a rate of 6,000 residents a month.

Many states in the compact are experiencing population growth. California has exceeded its compact share for years. The Phoenix area exploded as a corporate and retirement center in the '60s and continues to grow. Salt Lake City apartment vacancy rates are falling. And some 43,000 refugees from California's rocky economy and natural disasters have jammed streets and schools in Colorado in the past year.

Patricia Mulroy's job is to get water for southern Nevada. As general manager of the Las Vegas Valley Water District and of the Southern Nevada Water Authority, she has made some waves. She opposes linking water availability with a growth policy. "To cut off your water supply to manage your growth isn't the wisest thing to do," she says. "You're not just talking about new people moving in; you're talking about my children, other people's children."

In addition to charging higher

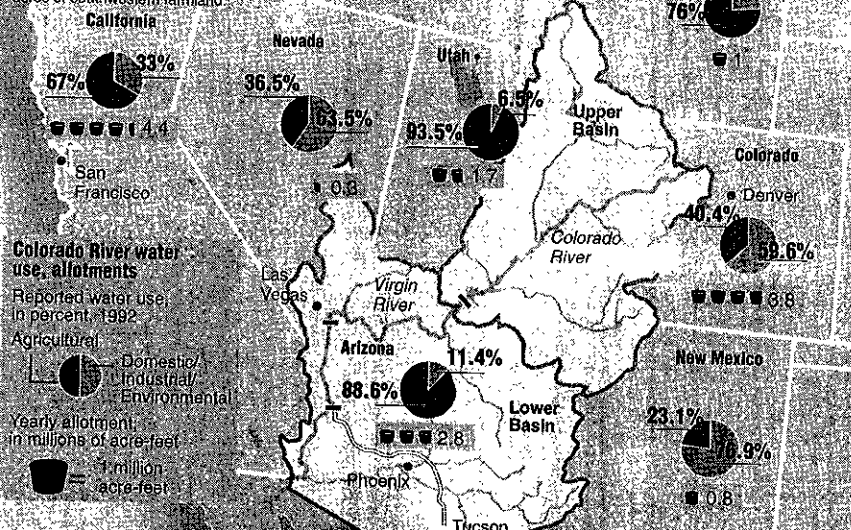
water rates and other conservation efforts — which only began in earnest when Las Vegas water officials realized that they might run out of water for growth by 1995 instead of well beyond the year 2000 — Mulroy's agency has brokered a few years' supply from a local industrial user and Southern California Edison, a power company.

Getting more water out of the Colorado River has to be pursued, she says, or Las Vegas' economy could be jolted. There also is a legal line of attack. Water lawsuits have cost Colorado taxpayers at least \$10 million since the mid-1980s. Money is one thing Nevada can ante up. But lawsuits can take years, something southern Nevada can't afford to squander.

Mulroy wants to get new water cooperatively, but must lay hands on it one way or another. "I don't know what it's going to take to get people to try to see the world from where the other guy sits," she says. "There are people who live here that have the same needs as people who live in Denver." Schlegel puts it a different way: "There is very powerful support for the efforts of the Southern Nevada Water Authority and (Nevada's) Colorado River Commission to acquire more water sources. They're willing to put all kinds of money, time, effort and political power into that."

Colorado River Basin

The Colorado River Basin covers about one-twelfth of the mainland United States. It is the only reliable source of surface water for nearly 25 million people and more than one million acres of southwestern farmland.



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