

No extra seats on water board

Bill favoring Front Range flushed

By Mike Soraghan

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The only water war of the year in the Legislature came to a rapid close this week, as a bid to increase the representation of the Front Range on the state water board went down the drain.

Sen. John Andrews, R-Englewood, says the seats on the Colorado Water Conservation Board should reflect population, in addition to reflecting where the state's water is coming from.

The Senate agriculture committee didn't like the idea, defeating Andrews' proposal, SB 113, and the compromises he offered.

"It's a year ahead of its time, maybe a year ahead, maybe 10 years ahead, maybe 100 years

ahead," Andrews said after the vote Wednesday.

Andrews says the Western Slope philosophy of "not a drop over the hill," referring to the Continental Divide, is flawed.

About 500 acre-feet of water every year is sent to Phoenix, Las Vegas and Los Angeles, he said, and that's water that could stay in Colorado.

Critics note that some of the water flowing westward is used for recreation and tourism.

But Andrews said he will keep plugging on water issues.

"There are no Front Range legislators who are majoring in water," Andrews said.

"I'd like to be in the debate. This bill gets me started."

since Nov. 11. The Standard & Poor's 500 index dropped 38.40 points, or 2.8 percent, while the technology-heavy Nasdaq composite index plummeted 152.49 points, or 3.8 percent.

Private economists, reacting more calmly than the markets, said they still believed Federal Reserve Chairman Alan Greenspan could guide the high-flying economy to a "soft landing." But they agreed that doing so would require higher interest rates than previously thought.

Paul Kasriel, chief U.S. economist at Northern Trust Co. in Chicago, said he expected three interest rate increases from the Fed in coming months, starting with one of 0.25 percentage points next week.

"There is now some justification for a 0.5 percent increase, but the Fed has not really prepared the markets for such an aggressive increase," he said. "Greenspan has typically given the markets a heads-up when he's going to do anything out of the ordinary."

The Fed's Open Market Committee last raised rates by more than 0.25 percent in early 1995.

David M. Jones, chief economist

Source: Department of Commerce

at the New York bond house of Aubrey G. Lanston & Co., said he no longer ruled out four interest-rate increases by June. That is when most observers expect the Fed to recede from view to avoid any appearance of playing favorites during the presidential election campaign. He said he expected each increase to be a gentle nudge of one-quarter point.

"A .5-point rate hike might crash the market," Jones said.

A key source of the alarm Friday was a Labor Department report showing that the cost of wages and benefits to U.S. business rose by 1.1 percent during the fourth quarter.

The increase was larger than the 0.9 percent rise private forecasters had been expecting, and it marked a substantial increase from the third quarter's 0.8 percent rise.

Health insurance costs also rose, as a period of intense competition ended and surviving carriers found they could once again pass on cost increases to customers.