

Grand Junction, Colorado

May 6th, 1931

The City Council of the City of Grand Junction, Colorado, met in regular session at 7:30 o'clock P. M. Those present and answering at roll call were: Councilmen Bear, Glassford, Hall, Hirons, and Sievert. Absent Councilman Holcombe. Councilman Roberts came into the meeting after roll had been called. City Attorney Adams and City Clerk Tomlinson were present. City Manager Soderstrum was absent. Mr. J. J. Burroughs, Acting City Manager was present. Mr. Glassford, Temporary President presided.

The minutes of the meeting held May 4th were read and approved.

DRGW Radio Interference

A letter from Mr. J. W. Brunton, Supt. Telegraph for the Denver & Rio Grande Western Railroad Co., in answer to a request from Mr. Soderstrum, that the D&RGW eliminate radio interference caused by the telegraph instruments, was read. Mr. Brunton stated that he had no authority to incur any expense in this connection, but would undertake elimination of the interference if it can be arranged for the City to reimburse the Railroad for the cost of the equipment, approximately \$15.00.

It was moved by Councilman Hall and seconded by Councilman Hirons that the matter be referred to Mr. Burroughs, with power to act. Motion carried.

Request to Install Flood Lights at 7th and Main

A communication from Bonnie's Service Station, requesting that they be allowed to install two flood lights to flood the front of their station on the corner of 7th & Main Street. This necessitates placing an iron pole in the parking next to the Public Service Co.'s White Way Pole. Winterburn Electric to do the work.

It was moved and seconded and duly carried that the communication be referred to the City Manager for further details.

Fountain Bond

A cement contractor's bond for W. J. Fountain, having been approved as to form by the City Attorney was presented. It was moved by Councilman Bear and seconded by Councilman Hirons that the bond be accepted and filed. Motion carried.

Allison Bond

A cement contractor's bond for W. O. Allison, having been approved as to form by the City Attorney was presented. It was

moved by Councilman Hall and seconded by Councilman Bear that the bond be accepted and filed. Motion carried.

Etenburn Bond

A cement contractor's bond for C. C. Etenburn, having been approved as to form by City Attorney Adams, was presented. It was moved by Councilman Hirons and seconded by Councilman Sievert that the bond be accepted and filed. Motion carried.

Airport Lease

Messrs. Bullock and Rader of the Mesa Air Transport Inc. were present and inquired if the Council had given serious consideration to their proposed contract for the use of the Municipal Airport for the coming year.

Councilman Hall moved and Councilman Hirons seconded the motion that the matter of the proposed lease for Messrs. Bullock and Rader be referred to Mr. Burroughs and City Attorney Adams for investigation and negotiations, and referred back to the Council in due course. Motion carried.

Armstrong Airport Prop

A proposed lease for the Airport from Mr. Doug. Armstrong et al was presented and was also referred to Mr. Burroughs and Mr. Adams.

Curb in Front of 1005 N. 12th

Mr. Bowie, representing Mrs. Julia F. Smith spoke to the Council concerning the matter of curbing in front of her property at 1005 N. 12th Street. Mrs. Smith desires to have thirty-four feet of concrete parking area with sidewalk extended two feet, and from that point sloped to the flow line of the concrete gutter, and a two-inch curb where the extended sidewalk and parking area meet, for which she agrees to pay the City \$105.00.

The following resolution was introduced and read:

BE IT RESOLVED that the request of Mrs. Julia F. Smith, through her Attorney, Mr. Alex Bowie, to be permitted to lay a flat concrete approach to her property on N. 12th Street, at her expense, be granted, with the understanding that in the event of an abandonment of the property for business purposes that the then owner be required to conform to the existing curbing on each side of said property and that Mr. Bowie and the City Attorney draft such further resolution as they may consider necessary to carry this agreement into effect.

Councilman Bear moved and Councilman Sievert seconded the motion that the resolution be passed and adopted as read. Councilmen Voting YEA, Bear, Glassford, Hall, Hirons, Roberts, and Sievert,

Councilmen voting NO-None. All of the Councilmen present voting YEA, the President declared the motion carried.

The following communication was presented and read by Mr. W. S. Meek, President of the Grand Valley Water Users' Association.

Grand Junction, Colo.
May 5, 1931

City Council
Grand Junction, Colo.

Gentlemen:

As you undoubtedly know, the Grand Valley Water Users' Association is the official body representing the landowners under the Government Grand Valley Irrigation project.

During the early years of the development of this territory, the people dreamed of the day when, by means of extensive irrigation systems, the fertile lands of the Grand Valley could be placed under cultivation, thus making Grand Junction the agricultural center of Western Colorado and the marketing and purchasing point of one of the richest areas in the state.

Such a project demanded the immediate expenditure of a vast sum of money in the construction of dams and canals - then must come pioneers willing to devote the best years of their lives to the achievement of their dream of transforming a desert into productive farms and orchards. Private capital, demanding repayment over a short period of years, could not be used successfully. One district in the Valley making an attempt to finance through the sale of bonds, found itself issuing more and more obligations each year to pay the accumulated deficits until the plan resulted in the failure of the project, ruin to the settlers and a loss of more than a million dollars to the bondholders.

The passage of the Reclamation Act in 1902, providing for the advancement of necessary funds by the Government, to be paid back over a long period of time, brought to the Valley renewed hope of development. Then followed years of attempts to interest the Reclamation Service in the local program, until in 1913, the Government finally entered into a contract providing for the construction of a diversion dam and a system of canals costing the huge sum of \$3,777,190.75.

Through the Reclamation program, water was made available for 23,230 acres of fertile but otherwise desert land, of which about 18,000 are now under cultivation, supporting a population of approximately 2,500 persons. In addition, there are 10,250 acres of land which is a part of the project, most of which is as fertile as any in the Valley, which cannot now be irrigated because it lies above the level of the present irrigation system.

Electrical power to operate the necessary pumping stations would make this land available for settlement and its development would not only aid Grand Junction, but would also assist the landowners of the project to carry their heavy burden of payments to the Government.

This year the Water Users' Association will be compelled to pay \$26,806.21 to the United States, besides the cost of maintenance and operation of the system as a payment on the construction cost of the project. These payments, increasing substantially from time to time, must continue for thirty-seven years, and constitute a serious burden to the district - a burden which will require the most extensive development of every available acre in order to make it possible to furnish water to the landowners at rates low enough to justify successful farming operations.

For a number of years the Association has been attempting to discover some means whereby power could be obtained at cost for the development of this additional 10,000 acres, and whereby also the district could lease a portion of its surplus water for a sufficient sum to relieve the burden of its annual payments to the Government.

To accomplish these purposes, the Association more than three years ago commenced negotiations with the Public Service Company, but inasmuch as the law existing at that time forbade a contract for more than ten years, a satisfactory settlement could not be reached.

Some months ago, legislation was enacted by Congress authorizing the Water Users' Association to enter into a contract for a period not exceeding twenty-five years.

Negotiations were again opened between the Association, the Reclamation Service and the Public Service Company, with the result that after several months of work, a definite agreement has been reached which is mutually satisfactory to all parties concerned. Approval has been given by the Water Users' Association, the Public Service Company and the Bureau of Reclamation at Denver. The contract is now subject only to the formal acceptance by the Secretary of the Interior, which the Reclamation Service informs us will undoubtedly be given.

This contract provides that the Public Service Company will pay to the United States the sum of \$213,000.00 for the construction of a power plant near Palisade. The plans for the plant will be drawn by the hydro-electric engineers of the Reclamation Service, the plant will be constructed by the United States under contract, and every turbine installed and all construction work done will be under the personal supervision and direction of the Government engineers.

Thus the Water Users' Association is assured the most modern of electric plants at a minimum cost.

Although paying the total cost of the plant amounting to \$213,000.00 and installing all connecting lines and substations at a cost which we are told will involve an expenditure in excess of \$175,000.00 more, the Public Service Company obtains merely the right to operate the plant for twenty-five years, after which the entire plant will belong to the Water Users' Association with no cost to them, to be operated by the Association for its own benefit. The Company agrees to return the plant to the Association at the end of the specified period in as good operating condition as when it was constructed.

In addition, the Public Service Company agrees to sell to the Association any electricity it may require for use in its irrigating and pumping operations at cost, during the period of the lease, which will mean making available for irrigation more than 10,000 additional acres of land.

Furthermore, the Public Service Company agrees to pay the Association a guaranteed water rental of \$15,000.00 a year - a total of \$375,000.00 during the period of the lease. This is somewhat more than half of this year's payment by the Association to apply on repayment of the construction costs of the project. If the Company produces more than a specified amount of electricity during any one year, these rental payments are increased by an amount which, under favorable circumstances, might aggregate \$4,000.00 or \$5,000.00 a year.

This plant could not be built if it were not for the market for electricity existing in the Grand Valley, particularly in the City of Grand Junction. The distance to Denver and the uncertainty of transmission coupled with the losses of energy involved would not justify the construction of the plant for supplying the Eastern Slope. Therefore, by mutual agreement between the United States, the Water Users' Association and the Public Service Company, the contract and the construction of the plant were made contingent upon the granting of a twenty-year electric franchise to the Company by the City of Grand Junction.

This Association is very anxious that the plant be constructed, and constructed as soon as possible for the reasons we have set forth. It will require nearly nine months to construct the plant, and involved is considerable work which must be done on the upper end of the Association's canal, through which additional water must be carried. This work must of necessity be done between irrigating seasons when there is no water in the canal, and if the work is to be done during the coming winter and fall it will be necessary to commence in the near future. Until the plant has been completed the annual rental does not begin, and also our plans for future development of the additional 10,000 acres cannot be made definite.

We understand that the present franchise of the Public Service Company still has some months to run, and inasmuch as otherwise

they might wait until its expiration before commencing negotiations on a new franchise, which would result in the loss of an entire season in getting the power plant in operation, and also the loss of \$15,000.00 rental this year to the Association, the association has requested that negotiations be started at once.

We have no desire to ask the City to grant a franchise to the Public Service Company unless favorable terms are offered, but we have been assured by their officials that the proposal would be based on favorable terms and conditions fully justifying its granting.

For the reasons we have specified we wish to express our desire that the Honorable City Council give this matter its consideration as early as is possible, and also that negotiations be carried on as rapidly as consistent with the discharge of your duty to the City so that in the event a satisfactory solution be reached, work on the program of development, which in our opinion will be one of the most important factors in the growth of the Valley and Grand Junction, can be commenced and the power plant placed in operation by the following summer.

Very truly yours,

THE GRAND VALLEY WATER USERS' ASSOCIATION

By: /s/ W.S. Meek
President

The following communication was presented and read by Mr. Chas. Lumley, representing the Redlands Irrigation Company:

Grand Junction, Colo.
May 5, 1931

The City Council
Grand Junction, Colo.

Gentlemen:

The Redlands comprises more than four thousand acres of irrigated lands, having an assessed value in excess of a half million dollars and an actual value of twice that sum. With its sheltered climate and its fertile soil, the district is particularly adapted for diversified farming and fruit growing. Our produce aggregates more than \$250,000.00 a year, all of which is spent in Grand Junction.

Dependent as we are on irrigation, a cheap and adequate supply of water, which must be pumped by electricity from the river to the irrigation system three hundred feet above, is essential for our development. The existing hydro-electric plant which produces this power is practically worn out and is no longer capable of producing sufficient energy to operate the pumping stations. A

new plant must be constructed this fall and be in operation by the following spring if the District is to have any water at all in 1932.

Attempts for the past year to finance a bond issue for \$100,000.00, secured by all the assets of the Redlands Irrigation Company, which is owned and operated by the landowners, have failed. Bond houses and banks have offered to finance the cost of construction, if, and only if, the Redlands can secure a contract for the sale of all surplus electrical energy produced by the new system at a guaranteed price, which would alone be sufficient to retire the bonds and pay the interest.

Inasmuch as the Redlands, in order to operate, must sell all of its power, and whereas during the winter months it produces none, while in the spring and fall it produces more than two and a half times the total amount of electricity Grand Junction can use, the only organization which can purchase and use all of the Redland's Power is the Public Service Company, with its market not only in Grand Junction but also in the other cities and towns of the Grand Valley.

Therefore, some time ago, the Irrigation Company commenced negotiations with the Public Service Company, and after a long period of conferences, the latter agreed to purchase all excess power produced by the Irrigation Company for twenty years at a guaranteed price sufficient to retire the bonds, pay the interest thereon and give the District a cash surplus every year.

In addition, a new plant will so reduce operating costs that instead of an assessment of \$5.00 an acre, within a short time this should be very materially reduced.

Since the Public Service Company, in order to purchase the total surplus output of the plant, must have a market for such electricity in the Grand Valley, particularly in Grand Junction, its largest single market in Western Colorado, the agreement was made expressly contingent upon the granting to the Public Service Company of a twenty year electric franchise by the City of Grand Junction.

Hydro-electric power will undoubtedly bring to Grand Junction the industries which are so essential to the City's development. Construction of a new plant is a matter of life and death to this district, and if any crops are to be raised in 1932, work on the plant, which will require approximately eight months to complete, must be commenced this summer in order to be finished by the next irrigating season in March.

The Irrigation Company, therefore, respectfully requests that the City Council, at its earliest convenience, consider negotiations for a new electric contract with the Public Service Company, so that if an acceptable proposal is placed before the City, work on

the construction of our power plant may be commenced in the early fall.

Very sincerely yours,

THE REDLANDS IRRIGATION COMPANY

By: /s/ _____
Director for the President

By: /s/ D.G. Stone
Secretary

Orchard Mesa Irrigation Co.

Mr. Alex Bowie, spoke on behalf of the Orchard Mesa Irrigation Co., stating that that organization was very much interested in the proposition of the Hydro-electric plant at Palisade.

Public Service Co.

Mr. Chas. Rump and Mr. C. D. Bromley, representing the Public Service Co., of Colorado, spoke in regard to the City granting the Public Service Co. a franchise for electric power and lights.

Reasonable Dispatch to be used in Considering Franchise

Councilman Hall moved and Councilman Hirons seconded the motion that it be the sense of the Council that reasonable dispatch be used in opening and continuing negotiations with the Public Service Co. for a new electric franchise, and that the City Attorney be instructed to participate in the preparation of the franchise to the end that the interests of the City be fully safeguarded, and that the various members of the City Council as well as the Council as a body do what they can to expedite the matter. Roll was called, with the following result:

Councilmen voting YEA - Bear, Glassford, Hall, Hirons, Roberts, Sievert.

Councilmen voting NO - None.

All of the Councilmen voting YEA, the President declared the motion carried.

It was moved by Councilman Bear and seconded by Councilman Sievert that the meeting adjourn to meet on Wednesday, May 13th, at 7:30 o'clock P. M.

/s/ Helen C. Tomlinson
City Clerk