

Grand Junction, Colorado
November 23, 1954

Upon twenty-four hour formal notice, the City Council convened in special session at 10:00 A.M., Tuesday, November 23rd, with the following Councilmen present and answering roll call: McCormick, Severson, Harper, Colescott, Wright, Lowe and President Walt. Also present were City Manager Toyne, City Attorney Groves and Acting City Clerk Blanche Stringer. City Clerk Tomlinson was absent.

Mr. C. H. Jex, Water Engineer, who has been employed by the City for several months to study the water problems and Mr. Henry J. Tupper of the Collbran Water Project as well as numerous others were present.

President Walt reported that the Water Committee, consisting of himself as Chairman, Councilmen Harper and Wright, together with City Manager Toyne, City Engr. John Burton, City Attorney Groves and Mr. C. H. Jex, Water Engineer, had been diligently working on a program to increase the water supply for the City of Grand Junction, and that after a great deal of consideration, consultation and negotiation they had decided to present a program to the City Council which would provide water from the Hallenbeck water rights on Grand Mesa and the Anderson et al water rights from the North Fork of Kannah Creek. He stated that City Manager Toyne had worked out a plan for financing this program which the City of Grand Junction could afford. Bonds could be issued which would be paid over a period of fifteen years, and in order to get a favorable rate of interest, a general obligation bond issue should be voted on by the people. General obligation bonds, as a rule, command a lower rate of interest than revenue bonds. President Walt in his discourse commended City Manager Toyne for the able manner in which he had conducted the financial affairs of the City so that at this time water bonds can be sold to finance a water improvement program such as the one suggested by the Water Committee without increasing water rates or adding to the mill levy.

Mr. C. H. Jex, Water Engineer, explained the whole program from a map which he had prepared and showed the locations of the existing reservoirs from which the additional water would be secured, under an option with C. V. Hallenbeck and the Anderson et al interests.

City Attorney Groves stated that this meeting was primarily to consider the option with Mr. Hallenbeck and to make an offer to the Anderson interests, if the Council so desired.

Councilman Harper stated that he as a member of the Water Committee, was very much concerned about obtaining more water for the City of Grand Junction and explained that the City was still interested in the modified Collbran Project and did not want those interested in it to feel that the City was pulling out and was no longer interested in the Collbran Project.

Councilman Wright, member of the Water Committee, reiterated what Councilman Harper had said, stating it seemed the most feasible way at the present time of increasing the water supply and urged the Council to take immediate action on this recommended proposal as he felt it was economical and could be paid off in fifteen years with an adequate supply of water for twenty-five years, depending however, on the growth of the population.

City Manager Toyne, although he stated most points had been covered, spoke on the proposed program giving more of the details concerning the proposed plan of financing.

Mr. Henry J. Tupper of Collbran, a member of the Collbran Project Committee, assured the Council that he felt there would be no hard feeling from the Plateau Valley if the City decided to go on with this program instead of the Collbran Project.

Mr. Read Black, Area Engineer of the Bureau of Reclamation, expressed the opinion that if the City stays out of the Collbran Project now, bringing water from the Plateau Valley later would have to be a municipal project outside of any help from the Bureau of Reclamation. Reclamation projects must involve irrigation.

Mr. Fred Simpson, who represented the lower valley communities, expressed the opinion there would be disappointment in rural sections over the City's decision. City Attorney Groves explained to him that water could be purchased from the City just as had been planned under the Collbran Project and they would probably have as good a deal as they would have had under the Collbran Project.

The following letter from City Attorney Groves to the Members of the City Council regarding the Option to Purchase Water and Other Rights from C. V. Hallenbeck dated Nov. 22, 1954 was filed:

GROVES, HYDE, DUFFORD & TURNER
Attorneys at Law
Grand Junction, Colorado

November 22, 1954

Members of the City Council
Grand Junction, Colorado

Re: Option to Purchase Water and Other Rights from C. V. Hallenbeck, Dated
November 19, 1954.

Gentlemen:

For several years the City has given some study to the possible acquisition of water rights of Mr. Hallenbeck. These were included in the study commenced by Mr. C.

H. Jex when he became the City's Water Planning Engineer in June, 1953. The subject was studied rather thoroughly by the Water Committee of the City Council, composed of C. A. Walt, Chairman, John C. Harper and Herbert M. Wright, following its appointment in May, 1954. In August, 1954, the Water Committee concluded to open negotiations with Mr. Hallenbeck and his representatives in an attempt to obtain an option to purchase certain of his land and water rights. From August 27, 1954 until the option was signed on November 19, 1954 these negotiations were continuous and intensive. There were certain features which the Water Committee had hoped for accomplishment in the option, but which are not contained therein. Some of these matters were impossible of accomplishment because they involve rights not possessed by Mr. Hallenbeck; as to others, the Water Committee and those of us acting on its behalf were unable to negotiate to the desired extent.

This letter is to advise and make a record of those things which are not embraced in the Option and of possible handicaps under it. The Water Committee and other City representatives are making presentation of the purposes and advantages of the Option, and, while the Water Committee feels that these far outweigh any disadvantages, no attempt is made here to enumerate favorable points.

CARSON LAKE

Under the agreement of August 18, 1948 between C. V. Hallenbeck, Mrs. Nevada Farmer and the City, Mr. Hallenbeck became the owner of 10% and Mrs. Farmer of 5% of the capacity of Carson Lake, the City owning the physical facilities and the balance of 85% of the water. This agreement provided that, if within five years from its date the City "should decide to enlarge the said reservoir", Mr. Hallenbeck and Mrs. Farmer would have the same percentages in the increased storage and in addition the City would sell up to 90 acre-feet of water to other Kannah Creek users at the pro rata share of the actual cost of enlargement. The agreement further provided that, if the City did not "commence proceedings to enlarge the reservoir within said 5-year period," Mr. Hallenbeck should have the right to enlarge it during an additional 5-year period and be entitled to all additional water stored therein.

Included in the Option is all of the Hallenbeck interest in Carson Lake as presently constructed, but it does not change any rights that he may have in, or to make, an enlargement. An attempt was made in the negotiations to include in the Option any potential interest he might have in Carson Lake, but that was unsuccessful for the reasons which follow.

It appears to be a sound conclusion that, in the light of the manner of construction of the dam, it would be uneconomical for the reservoir to be enlarged for any future irrigation use, and the Water Committee is advised that such construction would entail such vastly increased costs of water that it is not at the present time conceivable that the City will ever enlarge the reservoir. Therefore, the Water Committee was unwilling to pay Mr. Hallenbeck anything for a relinquishment of any potential enlargement rights.

No adjudication was ever made of Carson Lake and at the suggestion of the City a statement of claim was filed in the pending water adjudication on November 21, 1952 by the City, Mr. Hallenbeck and Mrs. Farmer. This statement asked for an absolute decree for 637 acre-feet (which was then regarded as the capacity as constructed) and for a conditional decree of 1000 acre-feet additionally. Mr. Hallenbeck contends that the filing of this statement of claim and proof introduced thereunder constituted a decision on the part of the City to enlarge the reservoir or a commencement of proceedings to enlarge it as those terms are used in the agreement of August 18, 1948. I have expressed a contrary conclusion to Mr. Hallenbeck and his attorney, Mr. Silmon Smith, and it is a disputed point.

Mr. Hallenbeck and associates of his are engaged in the enlargement of Juniata Reservoir at a substantial cost and the priority rights of this enlargement of Juniata Reservoir (which is not embraced in the Option) will be junior to the priority rights of Carson Lake as now constructed and to any additional water decreed absolutely under the conditional decree requested. As a result, Mr. Hallenbeck has the viewpoint that, if the City enlarges Carson Lake with a priority for the enlargement superior to that of Juniata Reservoir Enlarged, he should either retain any potential rights in the Carson Lake enlargement or receive consideration therefor.

The Water Committee feels that it should not recommend, at this time at least, that the City relinquish any rights to conditional water in Carson Lake.

As a result, the Option leaves the question of these disputed, potential rights in any Carson Lake enlargement precisely as they were prior to the commencement of negotiations on the Option, with neither Mr. Hallenbeck nor the City waiving any rights.

BY-PASSING OF WATER

The Water Committee felt that the Option should make provision as adequately as possible that water of others which now passes through Hallenbeck Reservoir might be by-passed around it and not commingled with a municipal supply. Permission from the owners of such other water to so by-pass it has been obtained, but upon the following conditions to be performed by the City:

1. The City must construct all by-passing ditches and measuring devices.
2. So long as there is by-passing, the City must maintain such by-passing ditches and measuring devices for these other owners, although the City does not have to bear the operational expense thereof.
3. The City must provide rights of way for the by-passing ditches and facilities. These are not owned by Mr. Hallenbeck nor the owners of this other water and to accomplish by-passing the City would either have to purchase the rights of way or condemn the same.

DIVISION OF OPERATIONAL EXPENSE

The Option and other papers in conjunction therewith provide for a division of operational and maintenance expense in the conveyance of water from Kannah Creek to Hallenbeck Reservoir so far as the so-called First Enlargement of Juniata Ditch is concerned. This water, upon leaving Juniata Ditch Enlarged, passes through Juniata Reservoir before reaching Hallenbeck Reservoir. The Option does not make provision for, and at this time it was virtually impossible to arrive at agreements with respect to, the division of operational expenses between the City and other owners of water from the time it leaves Juniata Ditch Enlarged until it approaches the inlet works of Hallenbeck Reservoir. Under the law, in the absence of an agreement, the City would be obliged to pay its reasonable share of these expenses. If the option is exercised, it will be necessary to negotiate agreements relating to these expenses, as well as similar agreements with the owners of prior rights in the Juniata Ditch and inferior rights in a contemplated additional enlargement of that Ditch by the owners of Juniata Reservoir Enlarged.

CHANGE OF POINTS OF DIVERSION, USE AND PLACE OF USE

It is the law that, with respect to water decreed for direct irrigation use, if there are changes of point of diversion, use or place of use, such changes will not be allowed except upon conditions which will eliminate injury to others from lack of return flow of water resulting from the changes. It appears to be the law that such conditions do not apply to changes of waters decreed to reservoirs. Certain direct flow waters are embraced within the Option and it is contemplated that there will be something in the future changes of point of diversion, or in use and place of use of this water by its transportation to the City, and prior to that time the City must obtain a decree permitting this, at least insofar as change of point of diversion is involved, and be subject to whatever conditions, if any, the Court may impose. It is virtually impossible to contract at this time with respect to these conditions or lack of them, except that under the Option Mr. Hallenbeck agrees not to object to such changes of any water purchased under the Option or hereafter acquired by the City insofar as his remaining and retained lands now owned by him are concerned.

AMOUNT OF WATER

The Option, and the Conveyance under it, does not guarantee any particular amount of water to the City, and it would be virtually impossible for such a guarantee to be made. Rather, it warrants title to certain priorities for the use of water and to reservoir facilities. The amount of water obtained depends upon the superiority and inferiority of particular priorities and the extent of the stream flow during any particular year. These matters have been the subject to study by Mr. Jex, the Water Department and the Water Committee.

To repeat, the foregoing is not presented as an argument against the exercise of the Option but rather is presented in order that these matters may be weighed by you at this time when the Option is first presented to you in your consideration of its merits, and also to make a record for the future that these matters were contemplated and considered.

Respectfully submitted,

(Signed) James K. Groves
City Attorney

Councilman Severson stated that he felt it would be several years before water could be secured from the Collbran project, and that it would be costly to treat water pumped from the river. He stated that he felt the Water Committee was to be commended for the very fine job they had done in bringing the water improvement plan up to this point and even though he felt there were a lot of things to learn yet and that there were points in it which would not suit everyone he would move the adoption of the following Resolution as read:

RESOLUTION

WHEREAS, there has been filed with the City Clerk of the City of Grand Junction, and presented to this special meeting of the City Council of said City, an Option dated November 19, 1954 under the provisions of which C. V. Hallenbeck has granted unto the City the right and option to purchase certain property, rights and interests, and to which Option there is attached a copy of "Conveyance, Transfer and Agreement" of C. V. Hallenbeck dated November 19, 1954, an agreement between C. V. Hallenbeck, the Juniata Ditch Company, C. V. Hallenbeck (in another capacity), Wilbur J. Raber, John P. Raber, Luther Crosswhite and the City of Grand Junction, dated November 19, 1954, and a Contract between Juniata Reservoir Company, C. V. Hallenbeck, Wilbur J. Raber, John P. Raber, Luther Crosswhite and C. V. Hallenbeck (in another capacity) dated November 19, 1954;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO:

That the acts of C. A. Walt, John C. Harper and Herbert M. Wright, acting as a Water Committee of the City Council of said City, in obtaining such Option for such City be and the same are hereby confirmed, and that they be reimbursed by the City for the consideration of \$10.00 paid on behalf of the City for such Option;

That such Option be and it is hereby accepted by the City of Grand Junction, and that it remain on file with the City Clerk thereof, but that this resolution does not authorize the exercise of such Option; and

That for and on behalf of the City of Grand Junction the President of the City Council and the City Clerk be and they are hereby authorized and directed to execute such agreement dated November 19, 1954 between C. V. Hallenbeck, the Juniata Ditch Company and others.

Councilman Lowe seconded the motion. Roll was called on the motion with all members of the Council voting "AYE." The President declared the motion carried.

The following resolution was presented and read:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND
JUNCTION, COLORADO:

That the President of the City Council and the City Clerk, for and on behalf of said City, be and they are hereby authorized and directed to execute that certain instrument dated November 23, 1954, already executed by C. V. Hallenbeck, which instrument gives notice of the option dated November 19, 1954 given by C. V. Hallenbeck to said City, a copy of which instrument is attached hereto; and that following the execution thereof the City Clerk cause such instrument to be filed of record in the office of the County Clerk and Recorder of Mesa County, Colorado:

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, C. V. Hallenbeck, by option dated November 19, 1954, has granted the right and option to the City of Grand Junction, Colorado, a municipal corporation, to purchase the following described real property, reservoirs, corporate stocks, and ditch and water rights, situate in the County of Mesa, State of Colorado, to wit:

Parcel 1.

The Southeast Quarter of the Northeast Quarter of Section 23, and commencing at a point 90 feet South of the Northwest Corner of the Northeast Quarter of the Southeast Quarter of Section 23, Township 2 South, Range 1 East of the Ute Meridian, thence North to the Northwest corner of the Northeast Quarter of the Southeast Quarter of said Section 23, thence East 1320 feet to the Northeast corner of said Northeast Quarter of the Southeast Quarter of said Section 23, thence South 630 feet to a point on the East line of said Northeast Quarter of the Southeast Quarter of said Section 23, thence Northwesterly in a straight line to the place of beginning; ALSO, the West 26 1/2 acres of the Northeast Quarter of the Southwest Quarter of Section 24, and the North Half of the Northwest Quarter of the Southwest Quarter, except the West 25 feet thereof, of Section 24; all being in Township 2 South, Range 1 East of the Ute Meridian in Mesa County, Colorado; TOGETHER WITH all ditch and water rights belonging with,

appurtenant to, or connected with said property, including particularly, but not by way of limitation, 22 inches of water, Priority No. 2, out of Kannah Creek Extension Ditch No. 2; and except certain mineral rights.

Parcel 2.

The North Half of the Northwest Quarter of Section 31, all of Lots 2, 3 and 4 of Section 30, in Township 2 South, Range 2 East of the Ute Meridian; the Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 25, and the Southeast Quarter of the Northwest Quarter and the Northwest Quarter of the Southeast Quarter and the East 13.5 acres of the Northeast Quarter of the Southwest Quarter of Section 24, in Township 2 South, Range 1 East of the Ute Meridian; TOGETHER WITH all water and ditch rights used therewith or appurtenant thereto, including 70 inches of water out of the Kannah Creek Extension Ditch having Priority No. 2 out of the Kannah Creek and all Hallenbeck's interests in said Kannah Creek Extension Ditch and lateral taking water therefrom; EXCEPT certain mineral rights.

Parcel 3.

Lots 11, 12, 14 and 15 in Tract 47 of the re-survey of Section 33, Township 12 South, Range 97 West of the 6th P.M., comprising 157.75 acres, more or less, EXCEPT a tract or parcel of land containing 17.978 acres, more or less, located in Lots 11 and 15 of Tract 47, Section 33, Township 12 South, Range 97 West of the 6th P.M. in Mesa County, Colorado, conveyed to the Grand Junction Girl Scout Council, a Colorado corporation, by deed recorded in Book 585 at Page 526 of the public records of Mesa County, Colorado, being more particularly described as follows: Beginning at Corner No. 1 from which point Corner No. 3 of Tract 47, Township 12 South, Range 97 West bears South 47° 45' West a distance of 1615.0 feet; thence North 65° 54' East a distance of 564.0 feet to Corner No. 2; thence North 83° 05' East a distance of 504.0 feet to Corner No. 3; thence North 84° 33' East a distance of 560.0 feet to Corner No. 4, the East line of the property; thence along the East line of the property North 0° 02' West a distance of 495 feet to Corner No. 5; thence South 80° 53' West a distance of 1557.3 feet to Corner No. 6; thence South 65° 21' West a distance of 148 feet to Corner No. 7; thence South 10° 39' East a distance of 540 feet, more or less, to Corner No. 1, the point of beginning; with certain reservations and conditions.

Parcel 4.

The Hallenbeck Reservoir, together with the water and other rights belonging therewith, which Reservoir is described as follows:

Beginning at initial point of reservoir, whence the East Quarter Corner of Section 36, Township 12 South, Range 98 West of the 6th P.M. bears South 66° 50' East 2099 feet; thence South 27° 10' East 100 feet; thence North 78° 15' East

840 feet to Station 4 of the Reservoir; thence North 50° 00' East 695 feet to Station 9; thence North 20° 40' West 1355 feet to Station 18; thence North 37° 30' West 500 feet to Station 20; thence North 86° 25' West 280 feet to Station 21; thence South 45° 30' West 870 feet to Station 24; thence South 17° 00' West 215 feet; thence South 8° 58' East 1005 feet along dam; thence South 27° 10' East 515 feet, more or less, to beginning; decreed by the Court as of September 1, 1939 for 863.097 acre feet of water. TOGETHER WITH dam, outlet and inlet, and ditches and rights therefor, and roadway to reservoir as now in existence through other land of the undersigned C. V. Hallenbeck. TOGETHER WITH 29/49ths of water and ditch rights owned by said C. V. Hallenbeck under and in connection with the decree of the District Court of Mesa County, Colorado for Ditch No. 15, Priority No. 608, out of Kannah Creek.

Parcel 5.

51 shares of the capital stock of Hallenbeck No. 2 Reservoir Company, a non-profit reservoir corporation, organized under the laws of the State of Colorado, whose total capital stock consists of 100 shares, which 51 shares of stock represent 51% of the water and rights of Hallenbeck No. 2 Reservoir.

Parcel 6.

All of the 10% interest of said C. V. Hallenbeck in the capacity of Carson Lake, as now constructed, together with any rights connected therewith which he may have, except any rights which he may have to water and capacity resulting from any enlargement beyond its present construction. Said reservoir is situated in Section 22, Township 12 South, Range 96 West of the 6th P.M. in Mesa County, Colorado.

Parcel 7.

8 shares of the capital stock of the Juniata Reservoir Company, whose capital stock consists of 120 shares, which 8 shares represent 1/15th of the water and rights of Juniata Reservoir. The initial point of said reservoir is the south end of the dam at high water line, whence the West Quarter Corner of Section 31, Township 12 South, Range 97 West of the 6th P.M. bears South 17° 22' West 937 feet, and to which reservoir there was adjudicated Priority No. 56 for 400.094 acre feet of water with priority date of November 1, 1911.

Parcel 8.

35 shares of the capital stock of The Kannah Creek Highline Ditch Company, which represents Hallenbeck's 1/15th of the filling rights of the Juniata Reservoir, together with any right Hallenbeck may have to transport such water from the Highline Ditch to the Juniata Reservoir in the ditch or ditches now customarily used for this purpose.

Parcel 9.

55 shares of the capital stock of the Grand Mesa Reservoir Company.

ACCESS RIGHTS.

Certain rights of access through other property owned by said C. V. Hallenbeck.

That if such option is exercised said C. V. Hallenbeck, for himself, his heirs, representatives, successors, assigns and grantees, covenants that he will not object to changes in points of diversion, changes in use and changes in places of use of the water rights embraced within such option and water hereafter acquired by the said City insofar as such changes may affect lands and water rights being retained by said C. V. Hallenbeck are concerned, all or a part of which of such retained properties are described as follows, to wit:

SE1/4 NE1/4, Section 35, Township 2 South, Range 2 East, except North 100 feet thereof;

S1/2 NE1/4, Section 36, Township 2 South, Range 2 East;

Beginning at Northwest corner of Lot 2, Section 11, Township 13 South, Range 98 West, East 1125.6 feet, South 19⁰ 10' East 145.6 feet, South 56⁰ 20' West 874 feet, South 63⁰ 22' West 496 feet, South 73⁰ 57' West 3.5 feet, North 845.5 feet to beginning;

NE1/4 SE1/4, Section 36, Township 2 South, Range 2 East;

SE1/4 SW1/4, Section 25, Township 2 South, Range 2 East;

NW1/4 SE1/4, Section 25, Township 2 South, Range 2 East;

That part of SE1/4 NW1/4 and SW1/4 NE1/4, Section 25, Township 2 South, Range 2 East, south and east of county road;

Lot 4, and that part of Lot 3, Section 35, Township 12 South, Range 98 West, south and east of Kannah Creek road;

SW1/4, Section 36, Township 12 South, Range 98 West;

That part of E1/2 NE1/4, Section 25, Township 2 South, Range 2 East, south and east of Kannah Creek road, except 7.6 acres county road;

SW1/4 SW1/4 and N1/2 SW1/4 and SE1/4 NW1/4 and SW1/4 NE1/4, Section 1, Township 13 South, Range 98 West;

Lots 3 and 4, Section 2, Township 13 South, Range 98 West;

E1/2 SE1/4, Section 13, Township 13 South, Range 98 West;

W1/2 SW1/4, Section 18, Township 13 South, Range 97 West;

Lots 15, 16, 17 and 18 and Tract 40, re-survey, Section 31, Township 12 South, Range 97 West, except West 12.8 rods of South 25 rods thereof;

All that part of the NW1/4 SW1/4 and NE1/4 SW1/4, Section 25, Township 2 South, Range 2 East, Ute Meridian, south and east north fork of Kannah Creek highway.

Water Rights.

204 shares of the Juniata Ditch Company stock;

52 inches of No. 2 priority out of Kannah Creek;
20/54ths of water decreed to Juniata Ditch Enlarged, sometimes known as First Enlargement of Juniata Ditch, priority No. 608;

325 shares of the Kannah Creek Highline Ditch Co.;

Also including such interest as C. V. Hallenbeck may at this time own in the future enlargement of Juniata Reservoir or Carson Lake.

That the original of such option is on file with the City Clerk of the City of Grand Junction at the City Hall in Grand Junction, Colorado and a signed copy thereof is held in escrow by the First National Bank in Grand Junction, Colorado, at either of which places such option may be inspected; that if such option is exercised, there will be delivered and recorded within 180 days of November 19, 1954 a "Conveyance, Transfer and Agreement" dated November 19, 1954, copies of which are attached to such option and copies thereof and are available for inspection at such office of the City Clerk and at such Bank;

That under the terms of such option it must be exercised within 180 days following November 19, 1954 and it is expressly made a condition of the option that the absence from record of such "Conveyance, Transfer and Agreement," dated November 19, 1954, in the office of the County Clerk and Recorder of Mesa County, Colorado at any time following the expiration of such 180-day period shall entitle any third person without notice to the contrary to assume conclusively that the option was not exercised.

Signed on this 23rd day of November, 1954.

C. V. Hallenbeck
Optionor

CITY OF GRAND JUNCTION, COLORADO

By _____
President of the City Council
OPTIONEE

ATTEST:

City Clerk

STATE OF COLORADO)	
)	ss
COUNTY OF MESA)	

The foregoing instrument was acknowledged before me this _____ day of November, 1954 by C. V. Hallenbeck.

Witness my hand and notarial seal.

My commission expires

Notary Public

STATE OF COLORADO)	
)	ss
COUNTY OF MESA)	

Personally appeared before me C. A. Walt, President of the City Council, and Helen C. Tomlinson, City Clerk, of the City of Grand Junction, Colorado, a municipal corporation, who certified that, pursuant to a resolution regularly adopted by the City Council of said City at a regularly called special meeting thereof on November 23, 1954, they executed the foregoing instrument for and on behalf of said City.

Witness my hand and notarial seal.

My commission expires.

Notary Public

It was moved by Councilman Harper and seconded by Councilman Wright that the resolution be passed and adopted as read. Roll was called on the motion with all Councilmen voting "AYE." The President declared the motion carried.

The following resolution was presented and read:

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND
JUNCTION, COLORADO:

That the President of the City Council be and he is hereby authorized and directed to execute and deliver the letter of the City Council dated November 23, 1954 to W. L. Anderson and others, a copy of which is attached hereto.

Grand Junction, Colorado

November 23, 1954

Mr. W. L. Anderson
Mr. F. E. Anderson
Mr. W. F. Krohn
Mrs. Gertrude Krohn
Whitewater, Colorado

Dear Sirs and Madam:

We have considered the letter of November 1, 1954 written to you by James K. Groves, City Attorney, on behalf of the Water Committee of the City Council of Grand Junction and the letter of Eugene H. Mast, your attorney, to Mr. Groves under date of November 9, 1954.

At the outset, we wish to state that the Water Committee and Mr. Groves had an erroneous concept as to the number of cattle embraced within your Forest permit and we recognize that the estimate of the value of your Forest and Public Domain permits may have been too great. However, the Water Committee and we have considered, and of course must consider, the subject of possible purchase of your land and water rights in the light of their market value and value to the City without regard to the value of other property not embraced within a proposed purchase.

On behalf of the City we hereby extend an offer to you to purchase for the sum of \$270,000.00 your land and water rights and those of Dr. E. H. Munro which, according to our understanding, were offered for sale under your letter to us of March 20, 1952, with the following exceptions:

1. All grazing rights, both Forest and Public Domain permits, are not included in the property to be conveyed.

2. One-half of any mineral rights you now own would be included in the transaction and the sale and purchase instrument would contain a provision that any exploration and extraction of any of the remaining mineral rights would be in such a manner as not to interfere with the City's use of the premises.

3. All underground water owned by you would be involved in the sale and purchase, except as provided otherwise in your letter of March 20, 1952.

4. Delivery of possession might be any date fixed by you prior to May 1, 1956.

5. The transaction would include a covenant by you and Dr. Munro not to object to changes of points of diversion and use of the water involved.

It is believed that payment of the sales and purchase price would be made in a lump sum or in installments as you prefer, assuming that, as suggested in your letter of March 20, 1952, the rate of interest on any unpaid installment would be 2% per annum.

This offer must necessarily be made upon the following conditions:

a. It is subject to the sale by the City of general obligation bonds as authorized by a City bond election. The proceedings for the issuance of such bonds can be completed within 90 days following a firm acceptance by you of this offer. This condition must be imposed as the proceeds from such a bond issue constitute the only feasible and legal manner of payment.

b. The title to the land involved would be marketable and the title to all property involved would be free and clear of all liens and encumbrances and such that you would be able to transfer the entire interest in it.

c. As indicated in your letter of March 20, 1952, appropriate documents involved would have to be approved by your attorneys and the City Attorney. In this connection, it seems to us that these attorneys proceeded far enough in their 1952 conferences to indicate that these approvals can be obtained.

d. The City reserves the right to withdraw the offer at any time prior to its acceptance.

Plans are now being made for the submission of the question of a general bond issue to the taxpaying electors of the City for the payment of proposed additions to the City's water supply system and, if this offer is accepted, it is desired to include amounts necessary to make payment to you in the proposed bond issue. Certain other factors make it necessary for the bond election to be held without unnecessary delay, and therefore, it is hoped that you will be able to give rather immediate consideration to this offer and advise us of your decision at the earliest convenient date.

Respectfully submitted,

THE CITY COUNCIL OF THE
CITY OF GRAND JUNCTION

It was moved by Councilman Colescott and seconded by Councilman Wright that the resolution be passed and adopted as read with the instruction that the offer to Anderson et al be made for the amount of \$270,000 and that the time of delivery of possession be May 1, 1956. Roll was called on the motion with all Councilmen voting "AYE." The President declared the motion carried.

Discussion was had concerning the holding of a special election for the purpose of voting on bonds to finance this Water Improvement Program.

Councilman McCormick stated he felt that as an elected representative of the people with their interest in mind, he could not vote for something he felt was a direct mortgage on all the property in Grand Junction, to sponsor a program which is merely to help provide water for outside subdivisions. He felt that a metropolitan water district should be created and outside users should be included in the bond issue.

Councilman Harper stated he thought everyone had been cognizant of the fact that the Council was not contemplating this development specifically for the people who live in Grand Junction but rather for development of the metropolitan area, as the City is expanding and will not be confined to permanent limits. It was moved by Councilman Harper and seconded by Councilman Colescott that the City Manager, City Clerk and City Attorney be instructed to make preparations for a special election to present to the qualified taxpaying electors of the City of Grand Junction the question of issuing water bonds to finance a water improvement program. Roll was called on the motion with the following results:

Councilmen voting "AYE:" Severson, Harper, Colescott, Lowe, Wright and President Walt.

Councilman voting "NAY:" McCormick

A majority of Councilmen voting "AYE," the President declared the motion carried.

It was moved by Councilman Harper and seconded by Councilman Lowe that the meeting adjourn. Motion carried.

/s/ Blanche Stringer
Acting City Clerk