LIBRARY
Montana Historical Society
225 N. Roberts Street
Helena, Montana 59620
PAM
-662-

The Helena Water Works

TO THE PEOPLE OF HELENA:

The Helena Water Works Company desires to present the following statements regarding its affairs, and requests a careful reading by every citizen

The Helena Water Works Company.

OFFICERS.

CHARLES S. TUCKERMAN	*President.*
JOHN A. COLE	*Vice-President.*
E. A. PHIPPEN	*Secretary.*
J. G. STEARNS	*Treasurer.*
WILLIAM A. CHESSMAN	*Manager.*
J. H. ANDROSS	*Cashier.*

Trustees for Bondholders.

CHARLES S. TUCKERMAN	Boston, Mass.
JAMES S. MORGAN	Princeton, N.J.
CHARLES F. STREET	New York City.

THE HELENA WATER WORKS.

DESCRIPTION OF SYSTEM.

With Last Chance Gulch for its starting point, Helena has been built along the axis of the Gulch and partly upon the high elevations which flank it, until now the highest residences are more than five hundred feet above those on the lowest elevations, and in order to furnish water to its residents at a practicable pressure, it is necessary to maintain four distinct zones or districts of supply. The districts comprise the following, namely :—

1. **The Hale High Service.**— This district comprises all of the highest portion of the east side, including the Catholic Hospital and more than five hundred residences. The supply is spring water from Oro Fino and Dry Gulches. The Hale reservoir contains at all times a storage of water for use at fires, giving strong pressure at hydrants in all parts of the city.

2. **The Woolston High Service.**— This reservoir is on the west side of the city, and supplies about one

hundred residents on the highest elevations there. A large storage of water for fire purposes is also held in this reservoir.

3. The "Ten Mile" Service.— This district includes about sixteen hundred residences and business houses. This is the middle district, having a vertical variation in surface of about one hundred and fifty feet. The supply is by gravity from the Ten Mile Creek reservoir.

4. The "Eureka" Low Service.— This district embraces the northern part of the city, including the railroad, and about six hundred residences. For fire pressure water from the "Ten Mile" or "Hale" districts is admitted to the mains.

Besides the above there are several hundred residences and business offices supplied with spring water from the "West Side" springs, this being, for the most part, a duplicate service and one that is never used with a fire pressure. This spring water is highly prized by those who have secured it.

A very important adjunct to the system of mains is the pumping plant. Although not used except in cases of emergency, the machinery is always held in readiness for immediate action. The water is of good quality; and, reinforced by the "Ten Mile" rights of the company as it can be, it forms a most valuable safeguard for the city.

HISTORY OF PROPERTY.

The evolution of the present system of water works in Helena has been like that of the city itself. It began when tents and shacks were first occupied by miners, and when water was peddled from carts, — in the laying of a few perforated logs down the main street. When Helena reached the dignity of subdivisions, lots, and frame houses, the "Hale" reservoir, with iron distribution pipes, was constructed for the East Side, the "West Side boys' system," and the "Eureka" system for other parts of the city. Later, when stone and brick blocks were rising, the "Woolston" system, with its fire-service covering the whole city, was built under a special franchise. Still later, as the importance of Helena was developing, came the consolidation of all these systems, the purchase of rights on "Ten Mile Creek," and the expenditure of over a quarter of a million of dollars in bringing its waters into the city through iron mains and enlarging and perfecting the distribution system.

In this way of gradual development the water-works plant has kept pace with the city until it has grown to its present extent and efficiency at a cost of over a million and a quarter dollars.

VALUE OF SYSTEM.

This property, although buried out of sight beneath the surface of the ground, has cost as much as have the public buildings in the city of Helena.

The State House, Court House, and Jail, High School, Auditorium, churches, and ward school-houses could all have been built with the money expended upon the water-works property. And it is undoubtedly true that, without the water-works plant, none of these would have been in existence. Both were necessary for the growth and prosperity of Helena.

SOURCE OF CONFIDENCE.

It may be asked, "How is it that entire strangers living in England, or in Massachusetts, New York, and other States of the Union dared to lend so much of their money for water-works purposes in Helena, where only a few years ago Indians used their tomahawks and scalping-knives upon strangers?"

The answer is that Helena had already become an incorporated city with a mayor and city council, and was organized under the same system of civilized society as are cities of the older States. Upon the integrity and equity of the city government the investors in water-works securities trusted implicitly, as they were undoubtedly correct in doing. National, State, and Municipal law is expressly intended to protect life and property wherever they are found.

OPPOSITION BY CITY.

Unfortunately, for the past four years the city of Helena has not treated the water-works company with the fairness it had the right to expect. During

this time over $35,000 has been paid by the company in taxes, while not one dollar has been paid it out of over $66,000 which the city had contracted to pay for the public uses to which water has been liberally applied. As a consequence, the company has been badly crippled, having no money to pay interest to investors and but little to make necessary improvements upon its plant. Besides this it has been compelled to incur heavy expense in carrying on litigation against the city authorities who have received its taxes and upon whom the company in common with other citizens has depended for the protection of its interests.

MUNICIPAL OWNERSHIP.

At about the time when these troubles with the city began there arose a very general desire for municipal ownership. Many cities have, during the past few years, acquired the ownership of water-works; and the principle of such ownership has been advocated by many as desirable for all. Until the year 1895 the city of Helena existed under a special charter and was without authority to incur an indebtedness for a water system and supply. It was necessary, therefore, for the city, until it became subject to the general law in 1895, to avail itself of a supply furnished by others. Since 1895 this company has been willing and ready to sell its property to the city. There has never been a time, however, when the representatives of the company and those of the city have conferred together upon terms of a transfer. Evidently, in a matter of such import-

ance there must be a mutual understanding and a candid examination into all matters of difference, in order to reach accordant action.

Such opportunity has never been granted this company, either by the City Council or by a committee of business men competent to take up a matter of such magnitude. The owners of this property feel greatly aggrieved by this treatment from the city, and now desire to do all that they can to establish such relations with its citizens as should prevail under the "live and let live" principle. They have accordingly announced publicly and to the City Council of Helena that they will sell all of their property to the city at a "*fair and reasonable price.*"

THE COMPANY MUST LOSE.

In making this proposition the company expects to lose heavily and to accept a sum very much less than the property has cost it; and, in doing this, it realizes that it is only sharing in the general shrinkage which has taken place in real estate and other forms of property here. It offers to accept from the city its *present value* regardless of what it cost when labor and materials ruled higher than now.

The company also realizes that it may have paid more for its water rights than they would now be appraised by competent judges, and is willing to abide by the decision of a properly constituted tribunal in this matter.

The depreciation by reason of wear in the use of its plant for several years must also be taken into

account, and an allowance made by the company to cover this.

The "going value" of the property, as in actual operation with its large list of consumers, must also be considered in accordance with decisions of the Federal Court and the usage of Boards of Appraisal in such cases.

The opposition which has been so disastrous to the Water Company had its rise in the depressed conditions following the panic of 1893; but, while other properties have largely recovered from this, the Water Company is still an object of attack,— unreasonably so, as it believes.

SALE TO THE CITY.

The only remedy seems to lie in a disposal of its property to the city of Helena, and it is the opinion of this company that a committee of business men would constitute the only body well qualified to arrange the preliminaries of such a sale and purchase. Whatever the City Council may decide to do, must under the laws of Montana, be submitted to the vote of the citizens of Helena and it seems essential that, as preliminary to such vote, the details of such a sale must be acceptable to the business men of the city if any favorable outcome of such public action is to be reached.

This company therefore hopes that a committee of men prominent in business affairs of Helena may be in some manner constituted who shall take up this question in all its aspects, and report over their

own names, such recommendations as may seem to them best for the information of the City Council and the community at large.

It should not be lost sight of that the Water Works Company offers to sell at a "fair and reasonable" price as conditions exist to-day in the market of labor and materials.

Does any one want to buy at less than a fair and reasonable price? If not, why should not every citizen favor the determination of what this price should be, and then advocate the acceptance of this offer of the Water Company, or that the opposition of the company by the city authorities be dropped, and this property be permitted to share in the prosperity of the city which it has been so largely instrumental in building up?

BEAVER CREEK PURCHASE.

In April last, without consultation with our company, and with great secrecy, a large sum of money was paid in cash by the city for the purchase of certain mining rights to water at Beaver Creek, twenty-five miles east of the city, and later a large sum of money was expended upon a tunnel and shaft in the hope of finding an underground stream of water at the same locality. As a tax-payer, the company is largely interested in this expense, besides being greatly injured by this use of funds which really belong to it in payment for the public water which it has been furnishing for nearly four years without remuneration.

OF DOUBTFUL VALUE.

Besides this, the attempt to build new works under the circumstances of the case, after so large an investment has been made by invitation and at the solicitation of the city and under its solemn contract, seems to us to be a breach of good faith and a procedure which cannot command the approval of any court of justice in the land. Our own investigations into the value of the property purchased thus hastily and the work done to develop bed-rock water lead us to believe that the whole expenditure will prove to be utterly worthless and a complete loss to the city of Helena, both because of the fact that this water already belongs to many agriculturalists whose rights cannot be ignored, and because the source of this development is at least one hundred feet lower than it should be for the supply of this city.

In view of litigation and existing conditions this would seem to be an opportune time for seriously asking whether the policy which has been pursued of late is really the best one for the city to follow, and one which the business men of Helena would pursue in the conduct of their own business.

Is it not indeed time to take this question out of politics, and place it in the hands of business men? Is not the credit and fair fame of Helena involved to its great detriment in thus prolonging this unhappy contest?

JOHN A. COLE,

Vice-President

The Helena Water Works Company.