

IRRIGATION OF CERTAIN PARTS OF THE MONTEZUMA
VALLEY.

L E T T E R

FROM

THE SECRETARY OF THE INTERIOR,

RELATIVE

TO THE IRRIGATION OF THAT PART OF THE MONTEZUMA VAL-
LEY LYING WITHIN THE BOUNDARIES OF THE SOUTHERN UTE
INDIAN RESERVATION.

FEBRUARY 7, 1898.—Referred to the Committee on Indian Affairs and ordered to be
printed.

DEPARTMENT OF THE INTERIOR,
Washington, February 7, 1898.

SIR: The Indian appropriation act of June 7, 1897 (30 Stats., 62-76), provided that the Secretary of the Interior should confer with the owners of the Montezuma Valley Canal, Montezuma County, Colo., or any other parties, for the purpose of securing by the Government water rights, or for the supply of so much water, or both, as he may deem necessary for the irrigation of that part of the Montezuma Valley lying within the boundaries of the Southern Ute Indian Reservation, and for the domestic use of the Indians thereon; and that he should report to Congress at its next regular session the amount of water necessary to be secured for such purpose and the cost of the same, with recommendations.

In pursuance of this provision of law, I have the honor to report that an Indian inspector of the Department was detailed on July 27, 1897, to proceed to Chicago, Ill., Denver, Colo., the Southern Ute Agency, and such other points in Colorado as might be necessary, and instructed to confer with various parties, including the Indian agent in charge of the above-named reservation, and to examine thoroughly the said canal and report fully whether the company could and would furnish the water necessary for irrigating that part of the valley lying within the reservation and for the domestic use of the Indians thereon, and if so, the cost thereof.

In a report dated November 4, 1897, the inspector states that he had conferred with the Montezuma Valley Canal Company, and that in discussing the matter with other canal companies in Colorado it was apparent that no other concern could bid to furnish water where needed on that part of the reservation, for the reason that the Montezuma

Valley Canal Company had appropriated all water from the Dolores River. This condition was found by the inspector to be true and was confirmed by the State engineer, thus leaving the company named the only one that possessed the necessary facilities to perform the contemplated service.

The Montezuma Valley Canal Company submitted through the inspector a proposition offering to furnish water during the irrigating season (from April 1 to November 1) at the north line of the reservation sufficient to irrigate 10,000 acres, at the rate of \$900 per cubic foot, each foot to constitute what is termed one perpetual water right and capable of irrigating 60 acres, including water sufficient for domestic purposes during the whole year, subject to an annual charge or assessment for maintenance of the company's ditches, stipulated and guaranteed to not exceed \$1 per acre, the liability of the company for the delivery of water, condition of laterals, etc., to end at the north line of the reservation, and the distribution of the water thereafter and its disposition upon the Indian lands to be entirely under the control and at the expense and risk of the Government.

The company agreed to furnish the quantity of water named within one year after receiving duly authorized notice of the acceptance of their proposition, payments for the perpetual water rights to be made as follows:

One-half of the amount immediately upon the acceptance of the proposition and the remaining half upon delivery of water, as stipulated, at the reservation line.

Payments for annual assessments on each water right for maintenance to be made on January 1 of each year, with privilege of examination of the company's books by some accredited agent of the Government, to establish the correctness of the assessment levied each year.

They also proposed to furnish a complete and satisfactory bond conditioned upon the faithful performance of their contract, and for the purpose of securing any advances that might be made in conformity with their proposition.

This proposition contemplates the following approximate expenditures:

For perpetual water rights, \$150,000, one-half to be paid upon acceptance of proposition and the remaining half upon the delivery of the full quantity of water stipulated for, to be within one year.

For maintenance charges, \$10,000 per annum.

It is estimated that it will also require an expenditure of \$20,000 to extend the ditches to distribute the water over the reservation lands from the point of supply at the reservation line, covering a distance of about 10 miles. It is also estimated that there are 15,000 or more acres in this section susceptible of irrigation, which will be more than sufficient for about 700 Indians now located there.

It appears that the proposition contemplates the furnishing of either a greater or less quantity of water than is stated to be sufficient to irrigate 10,000 acres. If each cubic foot will irrigate 60 acres, then it will require $16\frac{2}{3}$ cubic feet for each 1,000 acres, or $166\frac{2}{3}$ for 10,000 acres, and proportionately one-tenth, more or less, for each 1,000 acres over or under that number. Likewise, the expenditures for perpetual rights and annual maintenance charges would be one-tenth greater or smaller than those stated for each 1,000 acres more or less than the number stated in the proposition.

In discussing the matter in his report, the inspector states that the quantity of water proposed ($166\frac{2}{3}$ cubic feet) would supply 10,000 acres

the first year; but that in the second and third years and in future years, after the land had become thoroughly saturated from previous irrigation, the same quantity of water would supply 15,000 or more acres, so that after the first year the price proposed for the perpetual right would appear to him to be reasonable; that water is very desirable, inasmuch as the lands in their present condition are practically worthless; that water must be furnished or the Indians moved to another locality; that the favorable climate in that locality for crops requires a much less area of land for the support of a family, rendering the water rights more valuable in that section than farther north in the State, where the returns are smaller and the crops limited to a few products, it being reported that one acre in the reservation, properly irrigated, would be worth as much as three or four in the San Luis Valley.

A supplemental or amended proposition to furnish water for irrigation and domestic purposes to the Southern Ute Indian lands has been submitted by the Montezuma Valley Land and Canal Company—

“to store, convey, and deliver water not to exceed the volume hereinafter described, during the irrigation season, at the north line of the Ute Reservation at a convenient point to be hereafter decided upon, at the rate of \$900 for each perpetual water right, under the following details:

First. The irrigation season shall be from April 1 to November 1 of each year.

Second. A cubic foot of water per second of time shall constitute one water right.

Third. There shall be one perpetual water right for each 60 acres of land, that being the estimated duty of water.

Fourth. Not less than 166½ perpetual water rights shall be taken under this agreement, being water sufficient for 10,000 acres, the Government to become the absolute owner of the water rights so paid for and to be under no expense whatever thereafter, except to pay the pro rata for each water right so owned its proportion of the annual assessment for maintenance of the company's ditches, but which annual assessment is stipulated and guaranteed at not over the nominal charge of \$1 per acre; or, if considered more satisfactory and desirable, we offer the following alternate proposition as to the annual assessment or maintenance charge: For the first three years * * * \$1 per acre per annum, and thereafter a fixed rate of 60 cents per acre per annum—water sufficient for domestic purposes to be furnished at such other times as in the opinion of the company's general manager it may be reasonably practicable to do so, and when the same will not interfere with necessary work on water ways and structures, the whole year without charge, it being distinctly understood that all liabilities of our company for delivery of water, condition of laterals, etc., ends at said point of delivery on the north line of said Ute Reservation; the distribution of the water thereafter and its disposition upon the said Indian lands to be entirely under the control of and at the expense and risk of the Government.

The terms and time of payments under this are the same as under the original proposition, except that payment for the annual maintenance charge shall be on the 1st day of November of each year instead of on the 1st day of January of each year—subject to the privilege of examination of the company's books, as before stated; but, in the event of the acceptance of the alternate (fourth) proposition, then the fixed amount, as stated, to be payable on November 1 of each year.

Due to aridity, agriculture is only possible on this reservation by irrigation. A considerable part of it, estimated variously up to 100,000 acres, is said to be irrigable from this canal, and capable of producing abundantly, if properly watered by artificial means.

It is believed to be possible to ultimately advance these Indians in farming to a self-supporting condition if the lands can be reclaimed; and it seems practicable to obtain the requisite water supply only from the owners of the Montezuma Canal.

If, therefore, Congress shall deem it advisable that the Government make an effort to train these Indians to agriculture, it would seem only necessary to consider:

First. Whether the cost, to wit, \$150,000 of the proposed perpetual water-rights, is reasonable;

Second. Whether the natural conditions of the sources of water supply for the company's canal system afford a reasonable assurance of sufficiency at all times during the irrigation season; and

Third. Whether, in view of the local laws governing the matter, the financial ability of the owners of the Montezuma canal system, the quality of the canal and reservoir construction, and the conditions relative to a sufficient and stable support of the canal enterprise, there is a satisfactory probability that the water-rights covered by the proposed contract can be assured for perpetual use and enjoyment in accordance with the terms thereof.

The Department deems it advisable that there should be an official expert investigation of the canal as now constructed; of the cost of any additional canal and reservoir construction necessary to enable the owners thereof to deliver for perpetual use the water as proposed; and of the cost of such construction as may be necessary for the distribution and use of the water from the place of such delivery. The propriety of such an investigation is made somewhat apparent by recent information; and also by the fact that the company seems, in some degree, to base the price of the water offered upon their estimate of the cost of the additional construction alleged to be necessary to enable it to deliver the same at the reservation boundary. It is proper to add in this connection that such investigation as the Department has caused to be made, though not of an expert character, seems to support the statements of the owners of the canal respecting the expenditure that must be incurred in extending and enlarging the system to give it the increased capacity which they represent will be necessary to carry the requisite volume of water.

The company takes its water supply from the Dolores River. It is reported that this stream can be relied upon to furnish water perpetually, during the irrigation season, sufficient for the maximum water rights, stated to be 1,300, appropriated by the company, but this is a matter of such importance in this transaction that the Department is of the opinion that there should be a most thorough official expert examination of the river and of the conditions that influence its permanent water capacity before entering into the proposed contract. Although competent experts for that duty are in the service of the Government, it is impracticable to make the investigation at this season of the year.

It will be observed that the proposition contemplates that the sum of \$75,000 shall be advanced to the owners of the canal immediately upon the execution of the contract, that they may thereby "be guaranteed to that extent for the necessarily large outlay in completing" the needed additional construction. It would seem that the contract obligation of the Government ought to be a sufficient guaranty, and, should it be finally determined to enter into the contract it is not believed that the consideration should be paid by the Government except upon the basis of proportionally completed work.

The annual charge for maintenance, as will be seen by an examination of the company's proposal, is, as before stated, submitted on the alternative. One is indefinite and would require the Government to pay annually the proportion of the total cost of the entire canal system as 166 $\frac{2}{3}$ water rights are to all the water rights sold by the company upon which maintenance charges may from time to time be collected. Such a method of adjustment is objectionable, not only because it is

likely to breed disputes, but also because it would impose upon the Government the necessity of making an expert examination of the company's books each year to determine accurately the amount yearly the Government would, under the contract, be required to pay as its share of the cost of operation. Such examinations would always involve more or less expense, would often be attended with vexatious embarrassments, and probably not infrequently unsatisfactory.

The other imposes upon the Government a definite annual charge of \$10,000 for the first year and \$6,000 for the succeeding years. This would appear to be excessive, especially when it is considered that the number of acres actually irrigated by the Indians will be comparatively few at first and the growth of such use will necessarily be slow, depending upon the ability of the agent in charge to induce the Indians to engage in agriculture and the progress they may make in farming. These Indians never having had any training or experience in that industry, it is highly probable that several years will elapse before they can be prevailed upon, in sufficient numbers, to irrigate even approximately the 10,000 acres.

In view of the entire situation the Department would recommend that the Secretary of the Interior be authorized to expend from the funds of these Indians, in the purchase from this company of perpetual water-rights sufficient to irrigate 10,000 acres on the western part of this reservation and for annual charges for maintenance, such amount, and upon such terms and conditions as to him may seem just and reasonable, not exceeding such sum as, in the wisdom of Congress, may seem to be a proper maximum; provided that after such investigation he shall find all the essential conditions relative to the water supply and to the perpetuity of its availability for use upon the lands referred to, such, as in his judgment, will justify the proposed expenditure.

Very respectfully,

C. N. BLISS, *Secretary.*

The PRESIDENT OF THE SENATE.

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