On the afternoon of November 18, 1886, Francis L. Carter-Cotton left his Fort Collins, Colorado, office to mail a letter. He walked three blocks to the train station on the north side of town, boarded a coach for Denver, and apparently never looked back. According to local lore, he left two overly-persistent creditors locked in his downtown office; one subsequently wedged himself in a transom when he attempted to pursue his defaulting client. If true, these gentlemen were undoubtedly seeking to reclaim their share of an estimated $150,000 in debts that the Englishman had amassed during his eight-year residence in the city.¹

Sixteen thousand acres of undeveloped railroad lands north of Fort Collins secured most of these loans and ultimately broke the borrower. In 1880 Carter-Cotton incorporated the North Poudre Land, Canal and Reservoir Company with the intention of building an irrigation ditch through this native short grass rangeland.² With this water, he hoped to open up this region for agricultural settlement and, presumably, to turn a tidy profit in the bargain. His engineer, H.P. Handy, an experienced canal builder, handed Carter-Cotton an estimate of $35,000. This was to cover the twenty-odd miles of wooden flumes, tunnels, ditches, and headgates that would bring water from the North Fork of the Cache la Poudre River east across the plains to Box Elder Creek. After the first mile of construction work, the engineer presented the entrepreneur with a bill for $75,000; and so it went for the next six years.³

Carter-Cotton was not the first or the last man to have a go at opening the lands under the North Fork Ditch. Between 1878 and 1901, six groups of developers filed incorporation papers announcing similar intentions albeit under slightly different company names. The first three, all comprised of local business leaders, apparently never turned a shovel of dirt. The last, a conglomerate of Fort Collins and Greeley investors, finally put the North Poudre Irrigation Company (NPIC) on its feet. During the difficult interim years, Carter-Cotton was the first in a series of corporate investors and speculators who brought in outside capital from England and the east coast. Even after the 1901 group returned the operation to its local roots, the company faced another half-century of debt and uncertainty regarding its water supply.

¹ North Poudre Irrigation Company, Annual Report (Fort Collins: n.p., 1909), 3-6; Fort Collins Courier, 2, 12, 16, December 1886.

² Colorado, Larimer County Courthouse, Articles of Incorporation, Book 1.

In 1952, water from the federally-sponsored Colorado-Big Thompson Project finally reached irrigators in the Poudre Valley. NPIC paid off a long-standing $500,000 bond issue, and shareholders breathed a sigh of relief.

This paper focuses on the company's formative years from 1878 to 1913. By the latter date most of the facilities and water appropriations critical to NPIC's survival over the next forty years were in place. Moreover, in its final reincarnation, the operation had become a nonprofit, mutual stock company. For the first time in its troubled history, NPIC's assets and water rights became the property of the farmer-shareholders who had purchased land and were farming under the ditch.

Much of the literature on irrigation in the American West is regional or statewide in scope, focusing on development of water law and administrative structure and on urban/rural political struggles. The reclamation era has received fairly extensive analysis. To date only a small percentage of this scholarship deals with localized development either in a community or corporate context during the late nineteenth century. James Sherow's work on irrigation companies in the Arkansas Valley, Watering the Valley, is a recent and notable exception in Colorado's nineteenth century water history. Sherow places his story within a context of countervailing economic, social, political, and environmental forces. The complexity of this model proves far more useful in analyzing the development of smaller, privately owned irrigation systems than does the top-down approach often employed in studies of the federally-backed, bureaucratized reclamation projects. Certainly, the exploitative capitalist forces that historians such as Donald Worster rail against—the market culture, progress, domination of nature—come into play in these smaller studies. However, there is also much evidence that cooperation and restraint born of experience were the deciding factors in modest success stories such as North Poudre's.

4 For a useful overview of current western water historiography, see Donald J. Pisani, "Deep and Troubled Waters: A New Field of Western History?" New Mexico Historical Review 63 (October 1988): 311-331.


Regional studies of irrigation also may fail to take into account the variation in development that occurred in states such as Colorado. In these larger works, ditch building typically progresses from individual or cooperative efforts into a corporate phase during the 1880s and 1890s. During this period, mutual stock companies come on the scene, finally giving way to federal sponsorship. This periodization, while useful in a larger context, often obscures the process by which individual companies or systems actually moved through these stages. In the case of many northern Colorado companies, it also fails to explain how some operations remained relatively independent of federal sponsorship.

By tracing one company's evolution, this study attempts to reveal part of that process. After tracing the various groups of incorporators from 1878 through 1901, I will consider the forces that may have encouraged ditch builders to persevere as well as the obstacles that stood in the way of their goals. Finally, I will discuss the circumstances at the turn of the century that ultimately proved favorable to success and the steps taken to secure it.

In hindsight, the early period of NPIC's development between 1878 and 1901 appears to be one of experimentation that finally yielded desired results by the turn of the century. At close range, however, it becomes apparent that these were not experiments conducted according to any scientific method. Economic opportunity, heavily promoted by state and local boosters, instigated a frenzy of often ill-considered irrigation ventures during this period. The expectations encouraged by promoters, as well as by the success of other Poudre Valley irrigators, often contrasted sharply with the experience of many farmers under the North Poudre system. The hard lessons learned during these early years forced those involved in constructing and finally operating the ditch to make practical adjustments to the economic, political, and environmental realities that emerged during this period.

The original impetus for the construction of the North Poudre Ditch came from local businessmen who had long been involved in developing the young town of Fort Collins. William C. Stover, John C. Matthews, Alfred F. Howes, and Henry C. Peterson formed the North Fork Irrigation Canal Company in June of 1878. A month later they reincorporated as the North Fork Irrigation Company and were joined by Ledru R. Rhodes and James Galloway. One year later, John Mason, John C. Abbott and Matthews filed as the North Poudre, Box Elder and Lone Tree Canal Company.

While several of these men had farmed at some point in

\footnote{Articles of Incorporation.}
their careers, by the late 1870s all were primarily occupied in local commercial and financial ventures. Of the group, only two became professionally involved in irrigation development, Abbott as a contractor and Rhodes as a legal expert in water law. None, however, retained any financial affiliation with the ditch company when construction actually began under Carter-Cotton. Although agricultural prospects in northern Colorado continued to show promise, the enthusiastic investment of Fort Collins' businessmen in ditch ventures slackened. It is tempting to speculate that these promoters had some early inklings of the difficulties and high cost of construction that awaited future incorporators. In any event, local interests in the county's agricultural development were increasingly content to let outsiders foot the bill for ditches such as the North Fork.

Carter-Cotton may have been considered a local investor at the outset of his association with the North Fork Ditch. After arriving in 1878, he threw himself wholeheartedly into the Fort Collins commercial scene. By 1884 he owned a good deal of city property and a mill race. He was a member of the Stock Growers Association, president of the County Fair Association, and a representative of several ditch companies. However, his financial needs associated with building the North Fork quickly drew his company into the sphere of English and east coast capitalists.

The Colorado Mortgage and Investment Company of London, or the English Company, was Carter-Cotton's earliest creditor. Formed in 1878 for the purpose of loaning money on and investing in "house properties" in and around Denver, the company was fairly typical of mortgage investment companies that formed during the height of western land speculation. While the company's prospectus stated that it was not in the business of agricultural development, by 1879 its Denver agent had secured the company's backing in the Larimer-Weld Canal. In 1878 J.C. Matthews, newly associated with the North Fork Ditch enterprise, was advertising as the company's Fort Collins agent. When Carter-Cotton defaulted in 1886, the English Company was left with considerable property and shares

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in his canal venture.\textsuperscript{11}

The largest investor in North Poudre was the Traveler's Insurance Company of Hartford, Connecticut. Carter-Cotton's connection with Traveler's seems to have been through T.C. Henry, a prominent irrigation developer involved in a number of large Colorado projects such as the Grand River Ditch and the English company's High Line Canal. In securing financial support from the Traveler's in 1884, Henry listed among his assets a $33,000 investment in North Poudre that represented a one half interest in company stock. At the time Henry described the North Poudre enterprise as "in excellent financial shape, owns 15,000 acres of land, has a valuable option on 100,000 acres additional land from the Union Pacific Railroad Company. It has no financial wants."\textsuperscript{12}

In 1891 Travelers foreclosed on almost $400,000 worth of land and ditches in the San Luis Valley that Henry had secured on the basis of his apparently false statement of assets. Calling him a "bankrupt, defaulter, and embezzler" and "a capitalist without resources," Traveler's investigator J.G. Batterson reported that the North Poudre canal and reservoirs were not completed at the time of Henry's statement and that his option was "worthless and abandoned."\textsuperscript{13}

By the time of this indictment, however, Carter-Cotton had already fled the country. Under the signature of Batterson, Traveler's took over operation of North Poudre in 1886, perhaps with some reluctance. Apparently the ditch, while still not finished, was too far along to abandon. By the mid 1880s a number of families were beginning to farm the Box Elder Valley under the completed portion of the ditch. However, dry weather and poor construction left these farmers with insufficient water for their crops during these years.\textsuperscript{14}

The company would devote much of the next twenty years to completing, rebuilding, and upgrading the ditch that Carter-Cotton abandoned.

In 1896, F.C. Grable and his newly-formed National Land and Irrigation Company bought up what was now the North Poudre Land and Canal Company. Prior to moving to Fort Collins, Grable had been a successful town developer for Burlington Railroad. Nonetheless he arrived in Larimer County with an "indebtedness that would have appalled a less courageous

\textsuperscript{11} Courier, 16 December 1886.

\textsuperscript{12} J.G. Batterson, T.C. Henry: His Advent in Colorado (Hartford, Connecticut: n.p., 1891), 33.

\textsuperscript{13} Ibid., 21, 33.

\textsuperscript{14} Watrous, 209.
Obviously undaunted, Grable took on the North Fork project and settled in to become an active, if not entirely successful, irrigation developer in Larimer County.

Two years later, North Poudre went into receivership and passed into the hands of Philadelphia investor Thomas Bradley. In 1901 Burton D. Sanborn, a second generation Greeley real estate, loan, and insurance broker, along with a group of Greeley and Fort Collins investors purchased and reorganized the company one last time. Their initial investment of $67,000 netted them a ditch in immediate need of reconditioning, seven planned or partially built reservoirs, 16,000 acres of land, and a desperately inadequate supply of water.

By the early 1890s North Poudre Land and Canal Company had doled out eighty-acre water rights to fewer than forty farmers. This represented perhaps 3,200 acres of cultivated land out of a once anticipated 16,000. During The Traveler's tenure the ditch showed a profit only once. Despite these dismal returns, which were standard during the entire early period, speculators continued to try their hand at developing the system. Encouragement came from every corner--town builders, agricultural experts, agrarian boosters, as well as from the success of other Poudre Valley irrigators.

During the 1870s, the Fort Collins struggled to find its economic identity. By the end of the decade it was clear that the town's future was in agriculture. During the 1860s new arrivals to this former mountain men's retirement village began farming the bottom lands along the Poudre and supplying Colorado's burgeoning mining towns with hay and vegetables. For decades to come, state promoters would cite this "permanent" market as a lure to eastern settlers. Problems between many of these immigrants and native Indian tribes along the North Platte forced the overland stage to reroute along the front range in 1862. As a result the settlement along the Poudre played host to the army for two years and benefited from the trade along the Cheyenne-Denver road.

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15 Watrous, 338.

16 North Poudre Irrigation Company, Abstracts of Title (company office, Wellington, Colorado).

17 North Poudre Irrigation Company, Minutes, Book 1 (company office, Wellington, Colorado).

18 North Poudre Irrigation Company, "Old Water Rights" (company offices, Wellington, Colorado).

the end of the decade Fort Collins had become the county seat. In 1872 R. Cameron and William Pabor of the Union Colony at Greeley, Colorado, founded the Agricultural Colony at Fort Collins. However, the new colony was not a clone of the Greeley venture but a hybrid. Advertising circulars espoused the same cooperative goals and moral ideals of the Union Colony, but the intentions of the new colony's corporate entity—the Larimer County Land Improvement Company—seem to have been primarily economic. All of North Poudre's original incorporators were founders or trustees of the Company.

Growth continued slowly throughout most of the 1870s, but by the end of the decade the town's prospects had brightened considerably. Colorado achieved statehood in 1876, and the following year the Colorado Central Railroad completed its Denver-Cheyenne route through Fort Collins. County population jumped from 838 in 1870 to 4,892 in 1880; Fort Collins' population doubled during the last three years of the decade reaching 1,356.

During these early years, promoters looked for any advantage that might lure settlers and new businesses to the region. The state's land-grant agricultural college represented one such selling point. North Poudre founder William Stover managed to stake Fort Collins' claim during the 1875 constitutional convention. Fellow North Poudre incorporators J.C. Matthews and H.C. Peterson and the Larimer County Land Improvement Co. all donated land for the college.

The college presented obvious advantages to agricultural development in Larimer County. Elwood Mead, future Reclamation Bureau head, introduced the country's first irrigation engineering program to the curriculum in 1884. Mead was an ardent spokesman for reform of Colorado's system of water administration and a vocal advocate of the rights of farmers renting water under corporate ditches. The first College Experiment Station bulletin was Mead's "The Duty of

20 For a concise and useful history of Fort Collins and Larimer County, see James E. Hansen II, Democracy's College in the Centennial State: A History of Colorado State University (Fort Collins: Colorado State University, 1977), 11-34; also see Watrous, History of Larimer County.


22 Watrous, 52, 243, 250.

23 Hansen, 21-26; Watrous, 230-232.
Researchers at the college focused on all aspects of the county's as well as the state's agricultural life. "Defiance" wheat, developed by Ainsworth Blount, proved particularly well suited for this semi-arid region and remained the dominant strain cultivated until World War I. Other early Experiment Station bulletins discussed alfalfa and sugar beet cultivation; both crops were staples of the region's agriculture by the turn of the century.  

There is some evidence that farmers resisted much of the "book learning" offered by the college during these early years. More effective were the Farmers' Institutes, conducted by Mead and other faculty, and later the Extension Service demonstrations. Ultimately, however, the market and mother nature seem to have been the most effective teachers. During the mid-1880s, overcropping, competition from outside markets, and excessive freight rates were putting a damper on the county's flourishing wheat crops. Farmers, at the urging of the college experts, began rotating alfalfa with wheat as an alternative cash crop and as a soil enhancer. By chance, Nebraska stockmen, stranded in Trinidad, Colorado, shipped a trainload of half-starved lambs to Fort Collins during the winter of 1889. The lambs were fed on alfalfa until spring. Subsequently, the price received for the animals on the Chicago market converted many farmers and ranchers to the stock feeding business that became a mainstay of the county's economy within a decade.

By 1878 the community's economic prospects were steadily improving. When Stover, Matthews, Howes, and Peterson filed their claim on North Fork water they found themselves in the middle of a rush for appropriations on the Cache la Poudre and its tributaries including the North Fork. The North Fork Ditch, when built, would be the last and northern most of three large east-west canals that traversed the farmlands above Fort Collins. Future governor Benjamin Eaton's Larimer-Weld Canal was the first on line in 1878 followed by the Larimer County Ditch in 1881. The urgency attending this run on the water market is apparent in the fact that between June of 1878 and July of 1879 the North Fork company was incorporated three times. The following year two separate survey teams were in the field.


25 Steinel, 150.

26 For overview of irrigation development in Larimer County, see Bradt, Russell N. "Foreign Water in the Cache la Poudre Valley" (MA thesis, Colorado State College of Education, Greeley, 1948).
While local groups were scrambling to dig ditches and settle up the land, state and regional boosters with assorted affiliations were also advertising the advantages of northern Colorado. In 1872, the new Colorado Board of Immigration assured future immigrants that already prodigious yields of wheat and oats could be bettered with "systematic, thorough and well directed farming." 27 Colorado Mortgage and Investment Company of London and the Colorado Southern Railroad also targeted the area for promotion. The most ardent spokesmen, often employed by these organizations, were William Pabor of the Union Colony and Fort Collins Agricultural Colony and William Thomas, professor of the history of irrigation law at the college and a Greeley man as well.

Writers of the earliest literature out of the Union Colony were at pains to demystify the region's irrigated agriculture. They assured their readers that it required far less labor than the eastern farmer's practice of draining fields. Moreover, irrigation promised a perpetual water supply that freed the farmer from his dependence on nature. "The farmer with water in his ditches, the source and supply of which he has daily before his eyes, is not dependent on seasonable rains or showers, he sleeps soundly at night with no troubled dreams of a devastating drought." 28 "Farming here is so easy and so certain," wrote Thomas, "that prosperity is sure to attend the efforts of any farmer who is at all industrious and frugal." 29 These themes of simplicity and security carried through into the publications of the early twentieth century.

Writers constantly assured future settlers that "agriculture pays" in northern Colorado. Substantial yields were possible with comparatively little work. The soil was so retentive, reported an English Company booster, "it requires only two applications of water per year." "Manure," he assured readers, "is superfluous." 30 During the 1870s and into the 1880s they cited the availability of a permanent local market courtesy of Colorado's mining industry. Later, stock feeding, the sugar industry, and the accessibility of the national market via the railroads assured success.

27 Board of Immigration, Official Information (Denver: n.p., 1872).

28 William Russell Thomas, Agriculture by Irrigation in Colorado (Denver, Colorado & Southern Railway, 1904), 5.

29 Thomas, 15

Pabor, who was the most prolific and enthusiastic promoter of the region, made the combination of irrigation and profit seem absolutely hypnotic: "The water, won by skill and enterprise from its accustomed channel, runs over fields and farms, and becomes in the alchemy of nature as precious as were the words that dropped from the mouth of the princess in the fairy tale and changed, in the dropping, to pearls of price."  

He often seemed somewhat self-conscious about his prose, tempering his praise with cautionary notes about the need for hard work and wise management. However, his enthusiasm generally overcame his caution by the end of the piece: "Does this read like a romance? It does; it does. We admit it; but it is founded on the eternal rock of fact."  

While farmers under the North Poudre ditch rarely experienced such idyllic conditions, other companies along the river were successful enough during this period to at least keep the speculators' hopes alive. North Poudre's southern competitors, the Larimer-Weld and Larimer County Canals, were going concerns by the last decade of the century. The ditches of the Greeley Colony downstream, of course, had been supplying water since the early 1870s. All of these companies along with perhaps two dozen others of varying sizes provided stiff competition for Cache la Poudre water during the last quarter of the century. Dry spells during the 1870s brought these struggles into the courts, finally forcing a legislative resolution to Colorado's increasingly divisive water problems. The "Colorado System" that resulted from 1878 and 1881 legislation codified the principle of prior appropriation by which ditch companies laid claim to their water rights. Early appropriators took precedence over ditches with later decrees. This had always been the operating assumption of developers and irrigators; now it became law. During the 1870s, Greeley irrigators claimed that Fort Collins companies often failed to observe this "first in time, first in right" principle by continuing to divert water that should have been

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32 Ibid., 12.

left to the senior downstream users. Moreover, lack of adequate measurement and regulation during the early water rush years had encouraged ditch builders to exaggerate the carrying capacities of their canals and, therefore, the amount of water they could claim with their decrees. As a result, the river was seriously over appropriated by the time the legislation came up for debate.

The 1878 and 1881 laws created a much needed system for regulation and administration streams. A superintendent would now oversee the state's major water divisions with commissioners supervising the smaller districts within the divisions. In addition, the legislation established a water court that would finally begin to adjudicate all of the decrees filed between 1860 and 1881. For developers and future settlers, the codification of the state's water laws brought a measure of security to their ventures. However, the hard facts of nature and the somewhat ill-defined boundaries of the law continued to act as counterweights to the speculative dreams of North Poudre's persistent promoters.

Developers, land and mortgage companies, and prospective farmers all had ample, perhaps too much, encouragement for their western adventures. Too often the result, as one Colorado irrigator noted, was "the crushed and mangled skeletons of defunct corporations . . . suddenly disappeared at the end of brief careers leaving only a few defaulted obligations to indicate the route by which they departed." 34 In the case of the North Fork ditch, it is reasonable to suspect that equal amounts of incompetence, inexperience, and speculative greed led Carter-Cotton and his creditors along just such a path. Even at first glance, however, geography alone should have given them pause.

The first part of the irrigation puzzle for speculators such as Carter-Cotton declared that success in selling off land was contingent upon having a ditch in place: in modern parlance, "if you build it, they will come." The point of diversion that the Englishman and his engineer chose for their ditch lies almost a mile inside of a steep and narrow canyon along the North Fork of the Poudre River. The staggering bill that Carter-Cotton received for the first mile of construction was the cost of suspending a wooden flume along the rock wall of the canyon, across the river, and then along another quarter mile of cliff face. At that point it would empty into the yet-to-be-dug ditch.

The next ten miles of excavation traversed several intermittent but active streams and gully systems as well as two lines of granite hogbacks. Only then did it reach land

that was farmable. For the next fifteen miles streams and
washes from the north continue to cut across the ditch path.
The cost of simply maintaining the ditch under these
circumstances nullified any profits anticipated by the
nineteenth-century developers.

The red clay loam underneath the short grass prairie of
the region, once plowed and irrigated, actually proved to be
quite fertile, as farmers under the more successful ditches to
the south were finding out. At this point, however, early
speculators ran up against the second half of the development
puzzle. Successful farming that might draw settlers was
contingent upon the consistent ability to deliver an adequate
supply of water to the land. Hasty construction in
anticipation of sales made delivery difficult enough.
However, the ditches' late appropriation with its diversion
off of a relatively low-flowing stream provided the real
stumbling block for Carter-Cotton and all of his successors
well into the next century.

When the water courts established by the 1878/81
legislation began to settle the decrees claimed by ditch
companies and individual water users, NPIC's 1880 claim rated
#97. This was and is a very junior right that might, during a
good season, last until early July. Wheat, which is harvested
in midsummer, might, during a good year, survive under these
conditions. But by the mid-1880s the wheat market had
softened and farmers in Northern Colorado were turning to
alfalfa to supply the local lamb feeding industry. By the
turn of the century, as sugar factories went into production
throughout the state, sugar beets became the other crop of
choice for local farmers. Sugar beets and alfalfa are both
late season crops requiring water into early September. The
problem, then, for North Poudre and other companies in the
region became one of finding more water late in the season
beyond the expiration of their direct flow decrees from the
stream bed.

Adding to the uncertainties created by late decrees was
the type of ownership farmers exercised in their relationships
with ditch companies. The water court set the date of decree
at the time that digging had commenced on a ditch rather than
and at the time that water was actually put to beneficial use
by farmers. This, in essence, gave ownership of the water
rights and water to the ditch companies who were digging the
ditches rather than to farmers who were using the water.
Under these circumstance, a company under competent management
and operating in good faith might not pose much of a threat to
farmers. Even so, in most contracts of this time, ditch
companies were not liable for their inability to deliver
water. This left the farmer with no insurance against a bad
year. Of course, according to the boosters siren call, such
catastrophes never happened with irrigated agriculture.
However, as many North Poudre irrigators could attest, they
all too often did. Moreover, since the water right was usually attached to the land, the farmer could not sell or rent his water to anyone as the company could. As such, his right did not represent the same kind of property that it did for the owners.

Companies such as Colorado Mortgage and Investment and the Traveler's had clearly expected to turn a profit from such rentals and sales, as well as from land sales. Most, however, quickly saw those returns consumed by construction and maintenance costs. At the same time, as farmers began to invest cash and labor in the irrigated lands, the uncertainty of the water supply and the insecurity arising form lack of ownership of that water made an already speculative business riskier still. During the 1880s, Larimer county farmers, often under the tutelage of experts such as Elwood Mead, grew increasingly concerned about the inequities of their situation under the current system of ditch administration. The Farmers Irrigation and Protective Association met in Loveland in 1887 to oust British capitalists from the their ownership positions. In one of his more fiery retorts, Mead charged that "under common law speculation in bread was a crime. Under the higher law, speculation in water is an outrage." By the late 1880s it appeared that corporate schemes of ownership were working against both the viability of companies such as North Poudre and the agricultural development that the state and local communities desired. Mead and others warned that as long as the ditch companies maintained their ownership of water rights, farmers would be reluctant to settle company lands. Investors became increasingly willing to part with their speculative dreams as failure and farmers' protests continued. In 1891, the Travelers, perhaps chastened by its experience with North Poudre, declared to San Luis Valley farmers: "We have no desire to hold these lands a single day on speculation, and those who want them for cultivation can have them on long time at six percent interest, and at once."

Five years later, when F.C. Grable decided to take up the challenge of the ditch, almost all of Carter-Cotton's original

35 Reports of General Meetings, 6; Roger V. Clements, "British-Controlled Enterprise in the West Between 1870 and 1900, and Some Agrarian Reaction," Agricultural History 27, 4 (October 1953): 136-138.

36 Courier 17 February 1887.

37 Courier, 24 February 1887.

38 Courier, 17 February 1887.

39 Batterson, 22.
16,000 acres remained intact. In 1902, the newly incorporated North Poudre Irrigation Company announced plans for an advertising brochure to inspire immigration that had fallen off over the past decade.\(^40\)

As NPIC entered the new century, most of the circumstances favorable to profitable farming were already in place. Viable and lucrative markets for alfalfa and sugar beets were developing; stock feeding had been booming since 1890 and sugar beet factories were sprouting up all over the state. The Fort Collins Sugar Manufacturing Company was slated for its first run in the fall of 1903. Fertile land was available and the ditch was in place. Lacking, at this point, was an adequate water supply and a form of ownership that would encourage subscribers. The task of securing a stable future would require not only sufficient capital but also people with the experience and knowledge to make the necessary changes and improvements.

It became immediately apparent that the group of investors and businessmen who followed Burton Sanborn into the NPIC offices in 1901 met these requirements. The company's capital stock at the outset of this period was $150,000 and was quickly boosted to $400,000 to cover a construction boom that commenced almost immediately. Solving the companies life-long water shortage became the first order of business for the reconfigured company.

The remedy came in the form of reservoirs for storing "waste" or off-season water that could be used when the direct flow decree ran out. The first North Fork incorporators had included plans for storage reservoirs. However, as built, many of these lay under the ditch. In other words, water stored could not be returned to lands that lay up hill from the source. As demand for late season water increased, North Poudre and other canals in the area began to develop a system for exchanging water from reservoirs for direct flow water. With the proper facilities, North Poudre would be able to turn water from its reservoirs into the Larimer County or Larimer-Weld canals, which lay below its system. In return these companies would allow North Poudre to take an equal amount of water off the North Fork after its #97 appropriation had run out.

In 1902 construction began on Northern Colorado's largest storage reservoir, Fossil Creek. Designed to hold 350,000,000 cubic feet of water, the structure sat on the southeastern corner of the system, below all of the company's subscribers. As such, it was intended solely for the purposes of exchanging water with companies downstream.

On the northwest corner of the system, the wooden flume

\(^40\) Courier, 11 June 1902.
work was quickly removed from the canyon of the North Fork and replaced with a mile-long tunnel through the canyon wall. By 1909 plans for another large storage reservoir at the head of the canyon were on the drawing board. Water stored in Halligan would be used throughout the system to supply late season irrigating needs. By 1903 the company had fifteen reservoirs with storage capacity for more than two billion cubic feet of water. Halligan would add another 279 million cubic feet.

Even with all this storage capacity, the company's decrees did not fill the needs of irrigators. During the first decade of the century, Sanborn and his board began purchasing smaller companies that operated within the North Poudre system, creating a maze of overlapping stockholdings. The decrees acquired with these purchases along with the rights obtained through the exchange system bought NPIC forty three cubic feet per second (cfs) in late season direct flow rights. The amount seems small in comparison to the 351 cfs represented by their #97 decree, but the senior priorities represented by these additions were enough to secure the company's water supply for the next forty years. L.C. Moore, who succeeded Sanborn as company president proclaimed these acquisitions the "life blood of the company."41

The increased water supply made the sale of company land relatively easy. In 1903 the company was still farming large portions of its property and using proceeds for construction and maintenance. By 1913, however most of this land was off the books and NPIC was receiving $33,000 in assessments from the stockholder-farmers who had purchased it along with shares in the company.42 Unlike the water rights sold to farmers by the North Poudre Land and Canal Company, however, NPIC shares could be sold or rented by the farmers, thus representing another form of property that was as valuable as the land they farmed. In 1912 the company boosted its capital stock once again, this time to $500,000, with 10,000 shares. At the annual stockholders meeting well over two thirds of those shares were represented, indicating a fairly full subscription.43

Finally, during this period, NPIC threw its weight behind the development of the Fort Collins sugar factory. The company had inherited a large portion of what would become the town of Wellington, located ten miles northeast of Fort Collins. Sugar factory promoters targeted the town as a central collection point for beet growers in the area and

41 Annual Reports, 1913.

42 Annual Reports, 1909-1913; Minutes, Book 1.

43 Minutes, Book 1.
contracted with Colorado and Southern Railroad to build a line between Wellington and Fort Collins. In 1903 NPIC directors obliged by selling off their lots to the railroad for a one dollar fee.\textsuperscript{44}

Not everything went smoothly during these boom years. Numerous difficulties surrounded the transition to mutual stock company. Shareholders were often unable to cooperate in such plans as rental water pools designed to obtain a good price. When management of the small laterals that fed off the ditch was turned over to individual users, small water wars ensued between people at opposite ends of the ditches. Stockholders also remained somewhat suspicious of the company they had bought into, bringing numerous law suits against the board. In his 1916 report, Moore observed that "if our own stockholders would be more liberally disposed towards our own company, it would have a very beneficial effect on our property values."\textsuperscript{45}

 Nonetheless, the new ownership structure, expanded facilities, and water supply represented a security that the earlier incorporations could never attain. Economic opportunity and the encouragement of boosters who touted the success of other ventures motivated men such as Carter-Cotton well beyond their means. The absentee ownership of companies such as Colorado Mortgage and Investment and the Traveler's could not provide the expertise or leadership necessary to make good on their investments. With their eye on the profit margin they could hardly attend to the more pragmatic needs of ditch development. As their failures became apparent, their very presence in the state became intolerable to beleaguered farmers attempting to make good on their own investments.

The efforts of the Sanborn group beginning in 1901 represent what, in retrospect seems a quantum leap in understanding of the needs of even a modest-sized company such as NPIC. Today the company continues to irrigate approximately 35,000 acres of privately owned farm land, just under the maximum acreage reached during the first quarter of the century. Its assets, however, now top ten million dollars. Its shareholders are now only fifty three percent agricultural, the rest representing municipal and industrial interests. The region is slowly succumbing to the suburban sprawl that began spreading along the front range in the late 1960s. However, a small core of farms bearing the names that first appeared more than one hundred years ago, continue to operate under the system. The ditch, sporting technology of a more recent vintage than the wooden remnants that still cling to the canyon wall, continues along its same course.

\textsuperscript{44} Minutes, Book 1.

\textsuperscript{45} Annual Report, 1916.