Boise’s Water System
1890-2005:

The Municipal Ownership Controversy

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BOISE’S WATER SUPPLY SYSTEM 1890-2005: THE MUNICIPAL OWNERSHIP CONTROVERSY

Private ownership of utilities was a common practice in the United States during the mid to late 1800s. From 1880 to 1920, the proportion of municipal-owned water companies in the United States increased from 43 percent to 68 percent. The increase in municipal ownership was attributed to several factors including: disputes over water rates, failure to provide adequate volume or pressure for fighting fires, failure to provide water to areas which would have resulted in an uneconomic return, poor water quality, public health concerns related to Typhoid and in some cases lost of control to eastern capitalists. Although all of these factors occurred in Boise over the last 100 years, the water supply system has remained under private control. The spirit of private enterprise, western individualism, and libertarian leanings can explain the lack of municipal ownership in Boise.

History of urban water supplies

Initially when cities were formed, individual homes and businesses obtained water from springs, rivers or hand dug wells and water carriers were frequently employed to provide water to individual homes. A supply of water was essential for towns to grow and city boosters took advantage of that fact. When Richmond Virginia was established in 1737, William Byrd advertised lots for sale with the claim “A town called Richmond, with streets 65 feet wide, in a pleasant and healthy situation and well supplied with springs of good water.” Often, public wells were constructed in public parks or streets. Once a critical population was reached, piped water systems were installed, frequently by individuals or private corporations. Boise was founded and grew during the era of Manifest Destiny and private entrepreneurship and early city services including water was provided by private businesses. During the late 1800s and early 1900s, when the trend in municipalization of water supplies began, Boise’s water supply systems remained in private hands. In recent years there has been a dual trend toward the privatization of municipal water supplies or at least contract management and a renewed interest in municipal ownership of many long term privately owned systems.

Various theories have been advanced for municipal take over of private water systems. Disagreement on water rates, refusal of private corporations to provide water to unprofitable sections of town, high rate of disease caused by unsanitary water, provision of water of poor quality and the general rise in professional city management have all been advanced as causes of the decline in private ownership of utilities. In some
cases, the city charters, laws or lack of funds impeded municipal ownership. City bonding capacities and municipal bonds also influenced a city’s ability to finance water systems. In Oakland, California the private water system avoided take over by the municipal government because the private company owned all of the available water rights. In other cases the private utility services area extended beyond the city limits, which prevented municipal take-over of the area outside the city’s jurisdiction. However, in the end most private water systems in a city of any significant size were taken over by the municipal government. Currently approximately 85 percent of all water supply systems in the United States are municipally owned. Boise is one of a few major metropolitan areas where the water supply system and water rights have remained in private hands, although the ownership and control of the system is no longer local.

Although several theories have been advanced to explain the municipal ownership trend in the early 1900s, urban historians are silent on why a number of water systems have remained under private ownership, or by default they have assumed that the factors identified in their research did not apply to the remaining privately owned systems. In the case of Boise, it cannot be argued that none of the theories advanced by public works historians existed in Boise. Carol Macgregor advanced the theory of “Noblese Oblige” and discussed how the newly rich business men of Boise donated money to charities and invested in the infrastructure of the city. Sam Warner, in The Private City also discussed the initial development of private utilities. Western cities such as Portland, Spokane, and Seattle were built with private money, not eastern capital and “they developed because the citizens had the nerve and perseverance to invest their own money.” In Boise, the Sonna block, Pioneer building, Falk building and “our splendid water system” were constructed with private capital, “by men who live here and who made their money here.” Although these theories may explain why the initial water systems were privately owned, they do not explain the longevity of several privately owned systems. This paper advances the theory that Boise was and is a reluctant city and has never placed a high premium on municipal owned services. At the heart of the issue are the libertarian leanings of the state of Idaho and the fact that the citizens of Boise have been reluctant to indorse public funding, especially for services which can be provided by private enterprise.

**Boise, the Reluctant City**

The reluctance of Boise to provide city services can be traced to the origins of the city. On July 5, 1863, Major Pinkney Lugenbeel established Fort Boise. Two days later, several area residents drew up a plat for the town of Boise City. On January 11, 1866, the Idaho Territorial government issued a charter to Boise. However, the citizens believed that incorporation was just an excuse for collecting property taxes. An anti-charter political party won the city election and refused to take office. However, in order to obtain title to the town site, the city needed a government. On November 18,
1867, four years after the city was platted and almost two years after the Territory issued a charter, Boise first mayor took office. From 1863 through 1880, water in Boise was supplied by individual wells, springs, irrigation ditches and the Boise River. Several public wells existed in the downtown area and cisterns, supplied by irrigation ditches, were constructed to provide water for fire fighting. During the 1870s and 1880s there were numerous discussions in Boise concerning the need for a public water supply; however no action was taken by the City government. The first piped system in Boise was installed in 1880 by the Eastman brothers to provide water for the Overland hotel and a few businesses. In 1889, the discussion over installing a public water supply system ended when the City passed Ordinance No. 94 which granted a franchise to the Eastman brothers to lay pipes in city streets and supply domestic water to the city. The franchise was not exclusive and on July 10, 1890 a second private water company, The Artesian Water and Land Company, was authorized by Ordinance No. 100 to install water pipes in city streets and to provide domestic water to the city. In 1891, the two companies merged to form the Artesian Hot and Cold Water Company Limited. In 1894 Peter Sonna, the then Mayor of Boise, formed a third piped water company to supply water to Fort Boise and several downtown businesses including the Sonna Opera House. Ordinance No. 152 was issued to Sonna and authorized him to lay water pipes in the city streets. The initial water source for all three water systems was springs or shallow artesian wells in the foothills above Fort Boise.

Several canal companies were also formed which supplied water to Boise. Although some citizens obtained domestic water from the ditch laterals which ran through town, canal water was used primarily for filling water cisterns; irrigation of lawns, fruit trees and gardens. After 1894, canal water was used to flush the city sewer system and is still used in some parts of Boise for landscape irrigation. The privately owned domestic water company has continued to expand as the city has grown. Typically the City grew by incorporating subdivisions located on the edge of the City. These subdivisions had previously installed water systems for the residents. The water utility grew by purchasing as many as thirty small water systems, frequently with the encouragement of the City and PUC, due in part to poor or inadequate service. For over 115 years Boise has been served by private water companies. United Water Idaho, a wholly owned subsidiary of Suez Lyonnaise Des Eaux is the successor to two of the original water companies.

Municipal Versus Private Ownership

The issue of private versus municipal ownership has been an ongoing discussion since the original water company was formed. In 1892, the Statesman advocated the construction of a municipal-owned system. Even though Boise City was not known for its love of taxes, the paper reported “Taxes to obtain a water system which the city will own, when completed is one thing, and being bled through the coming years by soulless corporations that may and fill fix their own prices is quite another.” Boise also had access to municipal bond money after 1890 when the governor
approved a bill permitting incorporated cities to issue bonds. In the late 1890s and early 1900s, the City and the private water supply company were in constant dispute over the service, especially the pressure and volume of water available for fire fighting. There was also a dispute over the amount of money that the company charged the city for providing water for fighting fires. As the dispute with the water company escalated, the City Council considered the construction of a new municipal system. City Councilman Phelps wrote to several cities to inquire about the cost of such a system. In December, Phelps presented a report to the City Council containing the results of a survey of 50 cities queried on municipal ownership. Of the thirty responses to Phelps’ letter, twenty-four were in favor of municipal ownership of water supply systems.

In the early 1900s, a new water system would have cost $400,000. State law would only allow the City to issue bonds for 15% of the assessed valuation of taxable property in the City, which at the time was approximately $3,000,000. Given the existing bonding of $225,000, the City only had $225,000 for new bonding capacity, a sum insufficient for a construction of the preferred gravity water system. The assessed valuation was made using only 60% of market value of property in the City and the City could have raised the valuation to meet new bonding needs. In 1901, the newspaper encouraged the City to put the proposition before the people however no action was taken.

In 1904 the City contemplated purchasing the water system and retained Samuel M. Gray, a consulting engineer to review the water system and determine a fair value. Gray estimated the value of the system to be $208,000. The City did not go forward with the project. The question of private ownership lay dominant until 1968 when the city formed the Boise Water Resource Committee to investigate the concept of municipal ownership. In answer to the question of municipal ownership, the consultant hired by the city responded that “The type of ownership should be chosen that will give the best service for the least cost”. The estimated cost to purchase the system in 1969 was between 5.8 to 9.7 million dollars. In 1975 the city again hired a consultant to determine if the City should purchase the water system. The report concluded that no savings could be made by purchasing the system, and in fact water rates would need to be increased.

**Litigation and Water Rates**

Recent studies indicate litigation between a city and a water company increased the probability that the municipality would take over of the utility. Municipal takeover attempts also coincided with the expiration of a franchise. During the early part of the 20th century, when municipal ownership was on the rise, Boise City and the water company were involved in litigation over the rates that the water company charged the city. Soon after the Eastman brothers obtained permission to lay water pipes in the alleys and streets of Boise, water rates became an issue. The Artesian Water and
Land Company was formed to compete with the Eastman’s water system because the principals thought the rates charged by the Eastmans were too high. During a one-year period, when the companies were in competition, the Eastmans’ company, the Boise Water Works, offered free water for a limited time. After the Eastmans discovered a source of hot water, they forced a merger with the Artesian Water and Land Company, with the Eastman faction holding the majority of the stock.

In the 1890s, the city paid the water company $114/month for fire protection. This charge was a source of dispute between the City and the water company and led to over ten years of litigation and threats of the City taking over the water supply. Charges for fire protection and City street lights amounted to over 40 per cent of the City budget in 1892. The method of establishing water rates charged by private corporations was established by Section 2711 of the 1877 Revised Statutes of Idaho:

All corporations formed to supply water to cities or towns must furnish pure, fresh water to the inhabitants thereof for family uses, so long as the supply permits, at reasonable rates and without distinction of person, upon proper demand thereof; and must furnish water to the extent of their means in case of fire or other great necessity, free of charge. The rates to be charged for water must be determined by commissioners to be selected as follows: Two by the city or town authorities, or when there are no city or town authorities, by the Board of Commissioners of the County, and two by the water company; and in case a majority cannot agree to the valuation, the four commissioners must choose a fifth commissioner; if they cannot agree upon a fifth, then the Probate Judge of the county must appoint such fifth person. The decision of the majority of the commissioners must determine the rates to be charged for water for one year, and until new rates are established. The Board of County Commissioners or the proper city or town authorities may prescribe proper rules relating to the delivery of water, not inconsistent with the laws of the Territory.

The City of Boise and the water company were in constant dispute over the pressure and volume of water available for fighting fires. However, the primary argument between the City and the water company was the fact that the water company charged the City a set amount of money each month for providing water to the fire hydrants, while Section 2711 of the Revised Statutes of Idaho stated that water for fighting fires was to be provided “free of charge”. This issue was initially resolved in July 1895 when the Idaho Supreme Court ruled in Boise’s favor. The water company agreed the water was free, but insisted they could charge the City for the cost of the pipelines and pumps necessary to supply sufficient pressure to fight a fire. This issue was the subject of litigation between the City and the water company for many years.

On March 9, 1905, the Idaho Legislature amended Section 2711 of the Idaho Statutes to allow water corporations to charge municipalities for water for fighting fires. House Bill 168 was introduced by Orin V. Allen from Ada County. The Bill passed on the third reading with a vote of 44 Ayes and one Nay. The single nay vote was by Harvey B. Powers also of Ada County. In 1905, City Councilman Hubbard complained that charges for irrigating his lawn were too high and compared the cost of domestic water to the low price paid by canal companies offering water to farmers. In December 1905, the city council refused to pay the $3000 bill of the water company for fire water.
City councilman Hubbard suggested that the “city should have some recourse from the extortionate rates that have been fixed” and “the result other wise would be to cause the city to assume the appearance of a deser.”

The new legislation required that water rates were to be set by a commission selected by the water company and the municipal government. The rate for providing water for fighting fires was established by the commission for the City of Boise at $300 per month. On May 31, 1906, the City retaliated and passed Ordinance No. 678 charging the water company $300 per month for the use of city streets and alleys to run water lines. This Ordinance was in contrast to the original Ordinances 94 and 100 which gave the water company permission to lay water pipes in the streets. Over the next few years there was several additional lawsuits filed either by the City or the water company. Ultimately all of the legal actions were combined and argued before the Supreme Court on May 7 and 8, 1913. The Court ruled that both Ordinance No. 94 and the Ordinance of July 19th, 1890 (Ordinance No. 100) were valid and that Ordinance No. 678 was “illegal and void and amounted to impairment to those rights in violation of the contract clause of the Federal Constitution.”

Pollution and Disease

Several researchers have suggested that outbreaks of disease resulted in Municipalities taking over water supply systems. In the late 1800 and early 1900s, typhoid was a common disease in the United States. The typhoid rates in Boise were similar to other cities. However, even when the water supply was demonstrated to be the source of the disease, the water system was complemented for its efforts to control the spread of typhoid, and no actions where taken by the City to take over the supply.

In 1900, a higher than average number of contagious disease were reported in the north end of Boise. Residents attributed the outbreak to the large number of cesspools and “stink holes”. The public water system was not blamed for the outbreak because many residences obtained water from private wells “into which flows the slimy, germ-breeding corruption from [cess]pools and closets.” Typhoid outbreaks plagued the City in 1904 and 1905. Although the water supply was generally thought to be the common cause, other sources were identified, including vegetables, natural ice and dairy products. In 1905 there were 44 cases of typhoid in a two week period of time. City Councilman Hubbard questioned if the water company was responsible for the “prevalence of typhoid fever in the city.” He also questioned if the company was providing “filtered water” and implied that if there was a filter it was located in the vicinity of china gardens where the “offal of the city is used as fertilizer.” During the 1905 typhoid outbreak, Dr. L. C. Bowers, the city physician, attempted to locate the source. The primary suspected sources were: water supply, unwashed vegetables and milk. He concluded that there did not appear to be a single source as some people were using private wells and some were connected to the public system. Several people that came down with typhoid purchased vegetables from the Chinese gardens and some from other sources. In addition milk was supplied by different dairies.
Boil the Water Notice in January 5, 1921 from The Idaho Statesman.

Between January 1 and February 4, 1921, twenty-six cases of typhoid were reported in Boise, of which, seven people later died. Prior to the 1921 typhoid outbreak, there were only 20 to 40 cases of typhoid reported annually in Boise. On January 5, 1921, and on subsequent days, a small "boil drinking water" notice was placed in the Idaho Statesman, typically on the front page.

In an interview with the Idaho Statesman on January 9, 1921, Mr. Markhus, an official with the Boise Artesian Water Company stated: "While we are not at all convinced that the water is unsafe, we believe that warnings issued to boil all drinking water are a proper precaution, particularly in view of the unusual amount of rain and warm weather we have experienced this winter, causing an unusual surface runoff into the river". The water company had reason to deflect blame for the typhoid deaths. In 1915, the Supreme Court of New Jersey found in favor of Mr. B. H. Jones in a case against the Mt. Holly Water Company. In a typhoid epidemic in 1912, three of Mr. Jones’ children became ill with typhoid. The jury awarded Mr. Jones $750 in damages.

When the Boise Artesian Water Company was notified of the bacteria problem, chlorination equipment was not in use. Although by 1915, it was well known by public health officials and sanitary engineers that chlorination could reduce the incidences of typhoid, many American cities still relied on filtration. The water company borrowed a temporary chlorinator from a company in San Francisco.

Safe Water Notice placed in January 16, 1921 from The Idaho Statesman
and ordered a permanent system from New York. The temporary chlorinator was placed into use on January 12, 1921. On January 16, 1921, Dr. F. W. Almond with the Idaho Department of Public Welfare stated that it was no longer necessary to boil the water and the following notice appeared in the Idaho Statesman.

After it was first suspected that the source of typhoid was the water system, the State and City Health Departments worked with the water company to determine the source of pollution. However, their initial surveys were unsuccessful and the water company and the State Health Department contacted Surgeon General Cummings of the United States Public Health Service who sent Captain C. N. Harrub to Boise to investigate the contamination. Although the evidence appeared conclusive, all of the evidence was circumstantial since the water was not actually tested for the bacterium *Salmonella typhi*, the bacterium that causes typhoid fever. The most compelling evidence that the source of contamination was from the water system was that no additional cases of typhoid were reported after the water company installed chlorination equipment on the shallow infiltration well near the Boise River. At the time of the 1921 typhoid outbreak in Boise, the water company did not employ an engineer and no state or city ordinance required chlorination of water supplies associated with surface sources, even though both the medical and engineering professions were aware that filtration alone was insufficient to remove the germs that caused typhoid from water.

**Pressure and Volume of Water for Fighting Fires**

Another reason frequently cited as a reason for municipal take over of private water supply systems was inadequate volume or pressure for fighting fires. In 1894, only three years after the private water company was formed, the Central Hotel filed a $12,000 damage suit against the Artesian Hot and Cold Water Company. J. H. Bush, the hotel owner, claimed that in 1893 the hotel sustained heavy fire damage due to inadequate pressure and volume of water supplied by the water company. In February 1894, the city sought an injection against the Artesian Hot and Cold Water Company to prevent the company from cutting off water for fire protection. The Judge ruled against the City because there was no contract between the city and the company to provide such water. In June 1894, a Pacific Insurance representative inspected Boise and learned of the injunction. He speculated that this could impact the fire insurance rates for Boise. In 1893, Idaho’s record for preventing fires was so poor that the fire insurance companies invoked a policy clause requiring payment of only three-fourths of any loss by fire in Idaho. From 1860 to 1890 the ratio of premiums to loss was 63 percent, in 1892 it increased to 79 percent and in 1893, Idaho led the nation at 114% percent. The insurance companies concluded that “Idaho was either too unlucky or too fond of flames” to be allowed to receive full re-imbursement for fire claims. At the time the city and the water company was in dispute over the water rates to be paid for furnishing water for fighting fires. The citizens of Boise, especially the local busi-
ness men and the Idaho Statesman all agreed that the city should pay the water companies requested rates for fire protection water.\textsuperscript{35} At the time of the dispute, the rate requested by the water company for 55 fire hydrants was $2200 per year. This rate had been fixed by the water commission on May 27, 1894 and was approximately $875 higher per year than the previous rates.\textsuperscript{36} The cost of increased fire insurance to downtown business men due to inadequate protection was $4000 per year. Although, the $2200 was a cost to the city and shared by all taxpayers, according to their individual property's worth, the $4000 would have been paid by the individual local merchants. The newspaper, although in favor of the city paying the water company, noted that this was an example of class discrimination.\textsuperscript{37} Although there were complaints of poor service, the water company was also praised for their service. In 1899, following a fire at the Pioneer Block, \textit{The Capital} reported "the water company did a good service and the water supply was abundant."\textsuperscript{38} In February 1900, fire protection was still an issue. The Boise City Council discussed the ownership of the water supply and Councilman Phelps presented the following resolution:

\begin{quote}
Whereas the City of Boise is at present and has been for some time without adequate fire protection in the shape of water pressure, and

Whereas, the near future affords no prospect of relief in that direction at a cost within the reasonable expenditures of the city, and said condition exposes our business and residence property to serious loss.

Resolved, that the mayor be instructed to appoint a committee of three members of this body whose duty it shall be to thoroughly investigate as to the feasibility of putting in a system of water works with the estimated cost of the same.\textsuperscript{39}
\end{quote}

Although Boise did consider several times public ownership of the water system, no action was taken on this request.

\section*{Failure to Extend Water Mains}

Failure to extend mains to areas that were no economical has also been suggested as a factor which led cities to purchase private water systems. However, Boise's private water company refused on several occasions to extend water mains. After the installation of both piped water (1891) and the public sewers (1892) a number of residences continued to use privies because water was not available in some homes to flush the toilets. In some cases the water company refused to extend the street mains. The water company contended that the company could not afford to lay mains long distances just to provide water for flushing the toilet. Many citizens only wanted the water for flushing and were not willing to pay for additional water for domestic use.\textsuperscript{40} However, in 1905, the water company extended the water system mains over 13 miles to cover new residential area and the \textit{Idaho Statesman} praised the water company as "a very enterprising organization of leading men of the City."\textsuperscript{41}
Transfer of Ownership

Transfer of ownership of a water supply company offers an opportunity for cities to purchase the system if desired. For instance, in 2003, the City of Nashua, New Hampshire purchased the Pennichuck Corporation which provided water utilities to the City. The primary reason given was that the Pennichuck Corporation was proposing to sell the company to the Philadelphia Suburban Corporation and the water system would be under the control of an out of state entity. Boise has been in this position several times and has not acted upon the opportunity. In 1928, P. C. Dodge and Company of Chicago purchased the Boise Water Company for $1.25 million dollars. The company noted that local management would remain unchanged which "assures the public a continuance of the friendly relations and efficient service.”

Boise’s Anti-Tax Attitude

During the national water system municipalization trend, Boise property owners, who paid most of the taxes, were not inclined to foot the bill for those who could not afford the services. Municipal ownership of services such as the water utility would have resulted in taxes on wealthy property owners that would result in disproportionate benefits to others with less valuable property. For instance a property valued at $10,000 would pay more taxes than a $5,000 property but both would receive the same service. In 1898, the city council was considering new taxes to pay of a floating $51,540 debt. A Capital editorial stated "People are not ready for an increased tax. City taxes are quite high now and press the limit close. It is not desirable to drive investment away from Boise.” Frank Coffin, a local business man and stockholder in the water company, was quoted as saying "It is proper that those who come after us should help pay for the permanent improvements.” In November 1899, the citizens including H. B. Eastman and Alfred Eoff (two water company officials) protested to the city council that assessments were too high. The citizens believed that county officials were too extravagant with public expenditures and if they could not stay within a reasonable budget to "Go in with a broad axe and simply hew expenses down.”

In December 1899 the City Council was seeking ways to reduce expenses including reduction of the number of police and cutting down on the number of electric street lights. In 1921, taxes and the issue of water system ownership were still of a concern in Boise and the Tax Payers Committee supported Eugene B. Sherman for Mayor on a platform which included healthful city water and less taxes. In 1928, when the public water supply system was sold to an out of state company, Boiseans were as usual concerned with taxes. Mayor Walter Hansen reported that the city could function with the same tax levy as last year and only spend money on essentials. From 1914
to 1927 school district and property taxes in Boise increased by 200 percent. In 1928, a tax payers’ league was formed for all “Who believe that taxes have more than reached their limit.” The water company, being a private corporation, also paid taxes. In 1938, the company claimed that despite a tax increase of $6800, they managed to reduce residential water rates.

Boise residents have continued to remain opposed to taxes. In 1984 the Idaho Inn keepers opposed a Boise convention center based on the fact that the taxes to pay for the building was not spread equally over the city property owners but fell disproportionately on the hotels. In 1990, Ken Robison, a democratic state representative urged homeowners to fight a proposal to reduce the homeowner exemption because it would increase taxes on individual homes. In 1990, a poll taken by the Idaho Statesman showed that readers were opposed to paying higher property taxes for municipal purposes. One citizen stated “we in the middle class cannot continue to support all these bond issues and tax increases.” In 2004, Boise voters turned down a tax for a new convention center and perhaps to avoid another defeat, the Boise City council sought judicial confirmation to enter into a lease and trust agreement to construct an expansion of the parking garage at the Boise Airport. A lawsuit was filed against the city that argued that an election had to be held before city could issue bonds for construction of the expansion. However, the court ruled that the city had the authority to enter into a lease trust agreement and did not have to submit to a bond election. In 2005, a panel of 14 Idaho lawmakers held a public hearing to hear concerns about property taxes. One citizen said “If this keeps up, you will tax people out of their homes they live in.”

**Municipal versus Private Ownership**

From an engineering/economic standpoint, the answer to the question of Municipal versus Private ownership of a water supply is: whoever can provide the best service for the lowest price. However, the answer is more complicated than this since there may be more to the ownership question than just costs. Environmental issues and growth policies are two issues that should be considered. In addition, the issue of water as a human right or human need often needs to be addressed. If water is a human right, then the issue of cost becomes less important. The current concept endorsed by the World Bank and the United Nations is that water is a human need not a right. Historically, in the United States, many public water supplies were owned and operated by private enterprises. In many cases private enterprise was able to raise capital easier and perhaps cheaper than municipalities.
Privatization Trend

In undeveloped nations, the privatization trend has been driven by the lending practices of the World Bank and the general corruption of public utilities in undeveloped countries. In many undeveloped countries, the government uses the utility systems as employment opportunities for family and friends. Although the practice is not without controversy, the practice of privatization has improved the delivery and availability of water in many developing nations. Many of the water systems in Africa and South America were in debt primarily over mismanagement or under pricing of water. The utilities did not generate sufficient revenues due to lost of water thru leaking mains and unpaid water bills. In addition, water was often under-priced due to the large majority of the population who were poor. Attempts to raise water rates frequently resulted in political pressure to keep the rates low. Investor owned water systems are common in Europe where over 75 percent of the population is served by the private sector. In the United States only about 15% of the public water supply systems are privately owned. It is interesting that Europe has more private water supplies than America, the home of private enterprise.

Conclusion

In Boise, the water supply, electric supply, city transportation (trolley), phone system, garbage collection, were all privately owned. In the late 1890s, over one half of the city budget went to pay for water (fire fighting and sewer flushing) and electric street lights. By the late 1800s, Boise was a bustling, growing town full of civic pride. According to an article in the Capital “She [Boise] boasts a splendid electric light system, a first class up to date rapid transit line and one of the best water systems under the management of the Artesian Hot and Cold Water Company, in the West.”

Today, Boise owns and operates the sewer system and contracts out the garbage collection system (the city does not own any collection equipment or land disposal facilities). Electrical, phone and gas services are provided by regional or national investor owned companies. The water supply is owned and operated by United Water of Idaho. United Water and its predecessors have owned the water rights, treatment and distribution system for over 115 years and operates under a franchise from the City. One additional small privately owned water supply (Capital Water Company) operates in the City. United and Capital both pay an annual franchise fee to the city depending on the amount of revenue and both pay city property taxes. Boise, in the words of Sam Warner, Jr., is truly the “Private City.”

Currently, Boise is again considering the benefit of owning the water supply system. Although the 1892 issue of “being bled by soulless corporations that may and will fix their own prices” was solved by the creation of the Public Utilities Commission, there
may be other benefits to a publicly owned water system. The City has the power through eminent domain to purchase the water system for a “fair market” price, however, the issue concerns much more than just price. Today the circumstances are significantly different than those which existed in the early 1900s. United Water’s service area extends beyond the Boise city limits. The water system, including wells, pumps, storage reservoirs, treatment systems, and pipelines, cannot easily be separated into those that serve Boise and those that serve outlying areas. In addition, the water rights for water just for Boise would be difficult to separate from the water rights for those living outside the City. Other issues include passing of bonds or tax increases to purchase the system. As evidenced by the recent defeat of bonds for a new convention center, Boise residents have not significantly changed their opinion on taxes from their stance since the beginning of the city.

Research collections

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Capital Microfilm Collection at the Idaho Historic Society

City of Boise Archives

PUC Files

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