

2. A New Beginning

During the depths of the Great Depression, mounting discontentment with Northern States Power Company (and its mediocre level of supplied power) grew within the town. Citizens of Hutchinson attempted to purchase the plant in 1932; however, officials for Northern States Power (NSP) argued that the city did not have the option to purchase their distribution system until 1935. After the initial rejection, a special election was called by the City Council in the following months. Yet, just five days before the scheduled election, a petition signed by 100 individuals requesting that the special election be called off was presented to the Council; Council members complied.ⁱⁱ Although the City Council's attempts were thwarted, many people increasingly became agitated and dissatisfied with NSP's poor quality of service. Elsa Young, the daughter of R.W. Dahl discussed her dad's annoyance with the pitiful supply of power; "Dad bought my mother a fine, new electric stove. The darn thing didn't generate enough electricity to run the stove. We had to get a gas stove instead."ⁱⁱⁱ About 30 other individuals were provoked into action due to their frustrations with NSP. They were soon on the hunt to find a more suitable alternative for their growing town. After surveying 28 other communities and their municipal power plants, the men were enticed by the bountiful benefits a municipal utility would bring to their community. Another fundamental reason that these men desired a municipal was that they wanted to encourage growth in Hutchinson through attracting industries to the town, particularly the company that is now commonly referred to as 3M. Minnesota Mining and Manufacturing had originally wanted to build a plant in the nearby community of Litchfield because it owned a municipal light plant and had a railroad line that carved through the town. Some of the Hutchinson men, including Mayor Sheppard and R.W. Dahl, journeyed to St. Paul to meet with representatives of 3M to assure them that the Hutchinson Municipal plant could supply all the power that they would ever need.^{iv} A partnership was soon born between the town and 3M; it helped to propel the municipal issue to the forefront of Hutchinson news. The quest for Hutchinson's own cooperative took approximately three arduous years. At the outset, appeals were made both to the City Council and the Hutchinson Leader.

Early in 1935 a predominant sentiment grew among the citizens of Hutchinson; it was a longing for the establishment of a municipal plant to provide the town with another source of income in addition to property taxes to help support the growing community and lessen the debt that was plaguing the city. At the time the Water Department was seeing red, parking meters were absent, and a municipal liquor store was nonexistent.^v In spite of these hardships, an exception in the agreement between NSP and Hutchinson allowed for the citizens to take new action. Unlike the failed attempt of 1932, the original agreement specified that the city could purchase the distribution system starting in 1935, even though the company's franchise was not to expire until 1942. Hence, significant effort was put forth by many individuals to help educate the Hutchinson populace on the benefits of a community-owned utility in hopes that the dream of a city municipality would be realized. With the support of the Leader's publisher, Frank Borgen, R.W. Dahl and many other persons utilized the power of the press through writing various propaganda pieces, which were featured in the newspaper. One such example could be found in the March 8, 1935 edition, when the Leader published a letter signed by the members

of the Municipal Plant Committee: John Kennedy, chairman; E.C. Ditlevson, treasurer; R.W. Dahl, secretary. The letter reasoned with the public, stating,

At the present time Hutchinson must depend entirely on income derived from taxes. Hutchinson must have some new source of income. Hutchinson is forced to earn money. To earn money we must own some property with which to produce income. Hutchinson proposes to go about the business of acquiring and operating a Municipal Light and Power Plant.^{vi}

Operating a municipal utility was (and still is) deemed as advantageous because it was owned by the city it served. Its basal existence was to provide a public service to both residents and businesses, not seek a profit.^{vii} The rates and services were to be governed by the municipality itself, through an elected Utility Commission, who were citizens of the community. The municipal utility was to operate solely for the public interest and not for the benefit of stockholders' or other investors' wallets. Support was amassed after the people of Hutchinson were enlightened, as is demonstrated in an ad presented by the Municipal Plant Committee: "75% of the consumers have signed Agreements to purchase electricity from the Municipal Plant. We the undersigned city officials of Hutchinson will greatly benefit by having a home owned municipal light and power system."^{viii}

**"We urge you to vote
Yes on March 26."**
Hutchinson Leader, 1935

This was a message that
advocated the proposal to build
a municipal plant.

However, the path to establishing a local municipality was questioned and did meet some resistance within the community. NSP attempted to launch an assault on the notion of Hutchinson having its own municipal plant by trying to sway public opinion; representatives of NSP authored essays that were published in the Leader. Hutchinson's residents were bombarded by opposing propaganda through the mails just prior to the election. Some antagonists of the municipal took an even more personal and desperate approach in their attempted efforts to intimidate the opposition. R.W. Dahl was the recipient of an anonymous letter that threatened him to cease and desist or else dreadful things would happen to him. One of Dahl's children, Elsa Young, explained her father's reaction to the incident, "He (Dahl) said that anybody that was chicken enough to not sign a letter was not worth paying any attention to." Letters such as this and other warnings went unheeded by community leaders and a vast majority of the citizens as they defiantly moved forward with their municipal plans.

March 26, 1935 became a monumental date. Due to the outstanding results of the special election that took place on that fateful day, the Municipal Electric Light plant was established. In a near-record vote, 1,187 citizens authorized the establishment of a new generating plant and distribution system through a bond issue of \$250,000 to pay for the construction. Only 128 voters dissented. Despite the opposition's best efforts, the plant and bonds were given an overwhelming nine to one endorsement by the community. This bond would be the only Utility bond issue that was ever voted on by the taxpayers. To reiterate, this vote occurred in spite of the fact that Northern States' license would not expire for seven more years. Issued the choice to remain in competition with the local plant, NSP would instead eventually forfeit its franchise in the town.^{ix} As the City Council and its planners forged

ahead for the next 18 months, they encountered many obstacles that were poised to obstruct the plant going into operation.

The City Council began the tedious task of implementing its plans for a power plant system. First and foremost, three lots were purchased from the Minnesota Western Railroad for \$3,500. Soon thereafter, contracts were awarded for the construction of a new power plant building at the intersections of the state Highways 7 and 15. An engineering firm, Buell and Winter Engineering Company, was hired on May 12, 1935 to conduct a complete survey of the city and its electric needs and to develop plans for the plant. R.W. Strohmeier was the designated resident engineer (who would later be appointed the first General Manager of the Light plant). Once the plans from Buell and Winter were approved three months later, the Electric Equipment Company of Des Moines, Iowa was thereupon hired to construct the building for \$41,500. Donovan Construction Co. was awarded the bid to provide the plant equipment for a total of \$114,367; the contract included three 625 horse power 430 kW diesel generating units, switchboard, a complete distribution system, and other auxiliary equipment. The total of all bids amounted to \$223,030, which fell well below the original estimates for the plant. Construction began on the new plant, with the excavation of dirt, at the location on April 21, 1936. With the exception of one foreman, all workers who helped in the construction of the plant were hired locally. By July 3, the poles of the distribution system were all erected and crews were finishing the trimming of trees. Brick was being laid on the building after the foundations and flooring had been poured for the incoming engines. Progress continued at an impressive pace for the duration of construction and was completed eight months later on November 27, 1936.

Because of all the construction work, materials, and people involved, Hutchinson needed to find a way to fund all the expenses. There was immense effort involved in the obtainment of a federal grant to help finance the plant's creation, which would in turn decrease the total amount of bonds that needed to be sold. The first attempt was petitioned for on August 16, 1935 for a Works Progress Administration grant in the amount of \$112,500, or 45 percent of the total amount that was needed.^x The attempt failed. Another grant application was made to the Public Works Administration (PWA) for only 30 percent of the total. While the City was waiting for the grant application to be approved, they began advertising for bids for the construction and furnishing of equipment of the plant. When the bid letting process began, Northern States Power was unwilling to stand by passively, watching as the Municipal Plant's plans unfolded. NSP tried to get an injunction against Hutchinson in order to prevent the bond payment. The company declared that they would post losses of \$135,000 in revenue if the municipal plant was permitted to be built. Pleas from NSP were dismissed by Judge C. M. Tiff because he noticed that there was a disproportionate amount of signees on the injunction paper; out of a populace that exceeded 3,500 persons, there were only 157 signees, which was a minute percentage of Hutchinson's total population.^{xi} After the failed injunction and almost four months after the antecedent attempt, a grant in the amount of \$76,000 was approved by PWA and was accepted by resolution courtesy of the Council. In spite of all of these incidents, the Light and Power Commission ultimately proceeded independently of PWA after the Commissioners discovered that the grant was not

forthcoming.^{xii} Time was of the essence for the Commission since the demand for power was found well beyond the confines of the city limits.

REA Comes to the Region

The formation of the Rural Electrification Administration (REA) and its request for power from the proposed Hutchinson plant hastened the necessity of the power plant's creation in order to serve farmers in the local area. Up until the establishment of the governmentally-funded REA, most private utility companies had declared that it was much too expensive to string electric lines to isolated farmsteads scattered throughout the countryside.^{xiii} It was a costly endeavor to construct the rural lines, which in turn meant farmers had to pay steeper rates. While many city rates were only four to five cents per kilowatt hour, farmers could be charged a range of eight to 40 cents per hour. Unable to afford these higher costs, farmers had to either reduce or eliminate their power usage.^{xiv} Farmers essentially had no access to electricity unless they had their own generators. Yet, their needs were substantial and rarely could a single generator support a farmer's daily activities.^{xv} It was the dream of REA to bring electricity to the farmers of both Renville and McLeod Counties and it could be realized through the ongoing plans for the Municipal Electric plant in Hutchinson. The City Council was happy to oblige REA's wishes when they passed the resolution on February 21, 1936. It stated,



Here is a sign that designated a country area that was about to receive power courtesy of REA.

Picture courtesy of <http://www.buckeevepower.com/upload/images/REA>

Hutchinson is anxious to cooperate in the promotion of rural electrification for the benefit of our farmers. The rural electrification project will be the realization of many years of anticipation to have the electrical benefits on our farms which have been heretofore available only to city residents. Work on the rural lines will no doubt be started as soon as the frost is out of the ground and it is the desire of the city of Hutchinson to be ready to furnish electrical energy as soon as it is required.^{xvi}

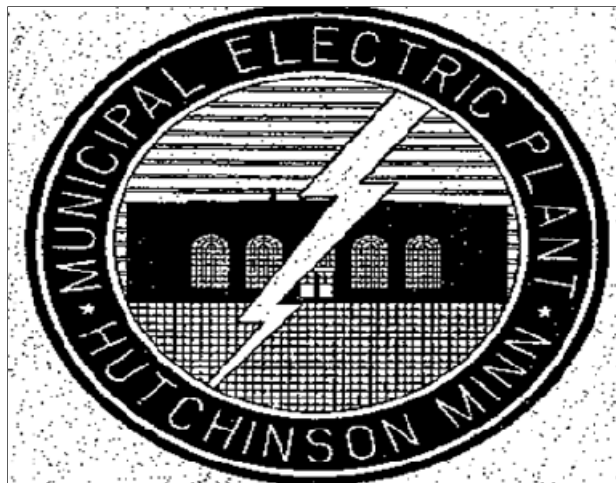
Some men had to journey to Washington, D.C. to meet with REA for some regulatory meetings. On September 2, REA representatives approved the first contract between McLeod Cooperative Power Association (MCPA was the local affiliate of REA)^{xvii} and the Hutchinson plant. The contents of the agreement were in regards to the construction of 110 miles of line that needed to be laid in order to

connect the two parties. This was the birth of a mutual cooperation that continued to exist for many years between Hutchinson and McLeod Cooperative.^{xviii}

A Commission is Born

Six months passed from when the Municipal Electric Plant was brought into existence to when a Commission was created. After the voters endorsed the new amendment, the City Council established the Light and Power Plant Commission on September 28, 1935. This latest amendment was for the purpose of placing the control and management of operations at the plant under the direction of three qualified locals, with the stipulations that each term was for six years. It granted the Commission, “full, absolute and exclusive control over the City power and light plant.”^{xix} Section 17 of the Home Rule Charter (not to be confused with the City Charter), dictated that the appointed individuals were to assume the different positions (president, vice president, and secretary) through annual elections within the Commission. Dr R.I. Sheppard (a local dentist) was named to a six year term; Dr. A.J. Thompson (a veterinarian) was designated to a four year term; and R.W. Dahl (a New York Life insurance agent) was appointed to a two year term. On the next day, the Commission was organized with Sheppard elected as its President, Thompson was nominated Vice President, and Dahl was appointed as the Secretary. These three prominent individuals would continue to serve as Commissioners for the next 24 years. For more than 50 years, the Utilities Commission would consist of three qualified voters and residents of Hutchinson that were appointed normally by the incumbent Mayor.

After years of planning, steering, spending \$223,030 on all of the equipment and labor bids, and expeditiously erecting two engines, the Municipal Electric Plant was ready to serve Hutchinson and the surrounding country populace. A statement uttered by R.W. Dahl’s son, Jim, aptly epitomized the experience of the Plant’s supporters: “Change is inevitable, but very difficult to obtain.”^{xx}



The Municipal Electric Plant’s original logo.