

## 22. CLARENCE KOCH

No one knew about our deal with Pat and Shirley when Clarence Koch told Jeanne that he and Priscilla (his wife, 1909 - 1996) wanted to sell their ranch to us.

Clarence was born in Golden, Colorado. He told me some about his early adulthood, particularly of his adventures as a roughneck lineman in Nevada and how much fun he had (he didn't expand much beyond that generality). In the 1970s, Clarence's septuagenarian demeanor resembled a Lutheran elder rebuking sin from the pulpit,<sup>1</sup> so it was a little difficult to envision him having fun at any age, but...

As best I can piece together, when Clarence returned to Colorado from kicking up his heels in Nevada, he went to work for Fort Lupton Light & Power in 1924. There he met Harriet Priscilla Reynolds, a school teacher with a certificate from the Colorado State Normal School in Greeley. They were married in 1931.

While he was working at Fort Lupton Light & Power, he learned that the company was offering electric appliances to their customers on the installment plan. He offered to buy the promissory notes from the utility company at a discount. The company was happy to offload the notes at a time when their capital was stretched thin during the booming 1920s. He said he made a killing on the yield of the discounted notes from the customers who could pay and from those who couldn't, by repossessing and reselling their appliances.

In 1927 Fort Lupton Light & Power merged with Colorado Central Power Company, based in Golden, his home town. Moving back to Golden, he rose to the position of Superintendent before he left the company in 1945 to start a furniture store in downtown Golden.

A take-no-prisoners Republican, Clarence was elected a Commissioner of Jefferson County in 1951

and served in that capacity until 1959. After moving to Livermore, he remained active as an old-school Republican. I remember attending a party caucus (1980) at the Koch's home, chaired by Clarence. He announced at the beginning of the meeting that he was not going to put up with any "anti-abortion nonsense" - we were going to stick to real business.

In 1941, Clarence and Priscilla moved to the Mt. Vernon Canyon / Genesee area where they lived and ran some cows while Clarence commuted to work in Golden. When they sold out to developers, Clarence started looking around Colorado for a ranch and settled on the lower Carey Ranch<sup>2</sup> in 1965.

He took ranching in his retirement seriously and pursued it with diligence and parsimonious frugality.<sup>3</sup>

In his late 70s Clarence was an energetic, tough old buzzard. He had been a long-time member of the Jefferson County Mounted Posse and on horseback he could keep up with guys 30 years younger.

With his nose for lending and collateral Clarence had become quite well-to-do. In the mid-1980s, I received an unannounced visit from the president of bank in Golden, who somehow knew that I had business dealings with Clarence. He proceeded to make a flagrantly indiscrete disclosure: The nub was that Clarence had cashed out a million dollars in CDs and withdrawn the funds from the bank without explanation. This was the early dawn of the savings and loan scandal and the banker looked like he was ready to sweat bullets. He wanted to know if I could shed light on Clarence's state of mind. I pled the 5th, although by that time I could have said a thing or two - but I'm getting ahead of myself again...

Jeanne and I contracted to buy the Koch Ranch with two National Forest Grazing Permits and private leases, together with the cattle and most of the machinery. Clarence seemed unusually keen on our continuing to employ Al Zugge and Dale Jewitt, his ranch hands, so not wanting to rock the boat, we agreed (more about this later).

The closing was set for early 1982, a year out, so that we could digest the Ferree transaction. The Kochs and we kept our deal for their place completely secret<sup>4</sup> for nearly a year (even Al and Dale hadn't a clue).

Photo credits: Golden History Museum & Park

<sup>1</sup> A tip of the hat to P.G. Wodehouse (1881 – 1975) for the image.

<sup>2</sup> E.K. Carey was a Kansas oilman who had put a lot of improvements into the place after purchasing it in the 1950s. The Carey family kept the original (upper) part of the ranch located just up the North Fork of the Poudre River from the Cherokee Park (dude) Ranch. Richard Borgmann's older sister married into the Carey family and Richard started coming out from Swarthmore, Pennsylvania to spend summers on the ranch when he was a kid. That's how he caught the cowboy bug.

<sup>3</sup> Clarence adopted the unusual practice of charging his ranch hands for electricity. To effect that policy, he employed a long out-of-date (and surely illegal) electric meter connected to the trailer that housed one of his ranch hands (Dale). The meter was so old that it had exposed brass thumb-screw terminals - designed to keep even a roughneck lineman on his toes. The balance of the electricity bill charged to the other ranch hand (Al), including the lights in the barns and the well pump. The electricity charges were deducted from Al's and Dale's meager monthly checks.

<sup>4</sup> A handful of our advisers and bankers were in on the deal, but had signed confidentiality agreements at my insistence.

