

January 4, 1917

Mr. Wm G Henshaw,
San Francisco, Calif.

My dear Mr. Henshaw:

Mr. Hodges was here yesterday, also Mr. Irving and Mr. Faulkner. Mr. Hodges was considerably annoyed at the condition of the ownership of the Carroll Reservoir. Both he and Mr. Faulkner insisted that we had represented to them that we owned outright at the present time all lands up to the 305 foot conduit. I assured them that neither I nor you had ever made that statement, that in the first place it was not a fact and in the next place we had always assumed that we could always get it by condemnation proceedings. Your telegram arrived at an opportune moment. It was raining and things looked dismal indeed. Messrs Hodges and Faulkner were scared to death about giving right to pump out of reservoir and gravels. I assured them that the lands owned by different parties were not susceptible to much irrigation and that it was not a serious matter. I urged Mr. Hodges to go and look the reservoir site over and he refused. I became persistent, however, and, eventually, when it stopped raining for a while I won him over and we went out there in a rain and mist. Thank goodness it was not raining when we arrived at the Bernardo bridge.

I was able to convince him it was not a serious matter and it is going to save us many, many thousands of

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	DL
Night Message	NM
Night Letter	NL

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

Form 100

WESTERN UNION



TELEGRAM

NEWCOMB CARLTON PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	DL
Night Message	NM
Night Letter	NL

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SAN FRANCISCO CALIF 1125A JAN 3 1917

ED FLETCHER

298

SAN DIEGO

AM VERY MUCH PLEASED WITH WHAT YOU HAVE ACCOMPLISHED AND
PUT MY FAITH TO YOUR ABILITY TO UNRAVEL DIFFICULTY HOPE
MR HODGES WILL APPRECIATE NOT ONLY THE DIFFICULTY BUT THAT
THE MISCALCULATION WAS REALLY NO ONES FAULT GIVE HIM MY
BEST WISHES FOR A HAPPY NEW YEAR AND APOLOGIZE FOR
MY NOT BEING ABLE TO SEE HIM IN SAN DIEGO AM
OUT OF HOSPITAL AND IN PALACE HOTEL WILL SEE YOU
AT ANY TIME BUT NOT SEEING EVERYBODY UNTIL I AM
QUITE RECOVERED WHICH WILL PROBABLY TAKE A FEW MORE DAYS.
WM G HENSHAW 1204PM

dollars for he will accept floodage rights alone and also give permission to pump where necessary not to tie up the floodage rights, but it was sure a blue day for me for a while.

I took Mr. Irving with me out to see Mr. Barnett. He is hard game. I made him an offer of \$1500. and \$6500. on the first of July, 1917, or \$8000. for his rights. We will be lucky if we get off with ten or twelve thousand dollars. Mr. Barnett insists on our buying the whole place of 1000 acres but has not yet even put a price on it. Mr. Irving and I both feel, however, that he is coming thru. Mr. Foster wants \$5000. I hope to get him down to \$4000. Will have to buy out the grocery store and pay \$5000. for the land, buildings, stock, etc. Can get it on time. I already have a man that I think will take it off our hands. Have Mr. Foster tied up for \$2000. I am going to see Chapman and the Eucalyptus Co. this week. It was a good thing that we got Mr. Hodges out there and showed him the reservoir site at this particular time. I felt it in me he was ready to throw the deal but Mr. Faulkner was a good old scout and things came along fine.

I had a side talk with Mr. Faulkner and he told me the quicker the contracts were signed up the better, and left in Mr. Clotfelter's hands, so I am rushing the exhibits, which Mr. Post is getting out, and expect to put them in Mr. Faulkner's hands Friday morning. He is going to get Mr. Hodges to take them up to Mr. Ripley, together with the contracts which I left with you, and get Mr. Ripley to either

sign them or authorize Mr. Hodges to sign them Monday.

I will be in San Francisco Tuesday or Wednesday of next week, and at the same time Mr. Hodges and Mr. Faulkner will be there. If Mr. Hodges comes up with the contracts signed ready for your signature - and to be held in escrow by them - my advise is for you to sign them. They will let matters rest until you, in some way or another, acquire the rest of the land and floodage rights.

Mr. Hodges yesterday said "I question very seriously whether Mr. Henshaw has put \$350,000. or anything like that amount into this proposition and Mr. Henshaw cannot afford, for five or six or eight or ten thousand dollars, to delay this game." My answer was that you had put a large amount of money into the proposition, that there was no large margin of profit in it and that the books were open for Mr. Hodge's inspection if he wanted to see them - as to what it cost you - at least I thought it would be perfectly satisfactory to you. His answer was that he would like to see them, but I do not think the question will ever come up again. The value of closing this deal with the Santa Fe increases day by day, in my opinion. The actual cost, when the odds and ends of land are sold, of putting thru this Santa Fe deal will not exceed \$150,000. Without having this system built the riparian rights from Carroll to the ocean at least would cost you \$200,000. ~~xxxxxxx~~ to say nothing of the value of the settling of the Oceanside suit, the ^{added} value it will make between you and Mr. Whitney ^{for your lands} and your ability of putting water on both these tracts to say nothing of the profit we will make

Mr. Henshaw

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out of it, but the greatest value is its effect on the city of San Diego, your ability to make good independent of the city and the value of the backing of the Santa Fe Railway Co.

I am sorry to say that I had no idea of the feeling of the people of this city against John Forward, Jr., and his bunch. It is almost a crime that we should have allowed Mr. Forward and Mr. Choate to take the lead in this water district. My understanding was that it would be done by the Chamber of Commerce and other organizations. There is strong opposition here against Mr. Forward or anything Mr. Forward is connected with, and today there are not enough votes on the Linda Vista Mesa to even carry an election to form a district. Then, Mr. Forward is taking within the district all the lands in Mission Valley. It is ridiculous. I saw Mr. Forward and asked him to take these lands out. Why should the ^{bottom}lands of the San Diego River pay and be assessed when they have all the water they ~~want~~ want of their own? Mr. Forward refused to do this and are kicking up a big row and we have a merry fight on our hands. There is no use in writing Mr. Forward but you ought to get down here as soon as you can.

It has been a hard strain on me and I have had to take dope to keep me asleep nights. It is a fright trying to keep everything in line and keep up with things particularly when I am worried to death for ready money to keep going on. Mr. Murray has not shown up yet. Mr. Faulkner is playing the game strong and has promised me that if I get the exhibits to Los Angeles by Friday that he will send them up to Mr. Hodges in plenty of time for

Form 5-710M-1-16

FEDERAL TELEGRAPH COMPANY

TELEGRAM

E. W. HOPKINS, VICE-PRES.

JOHN L. DEAHL, PRES.

H. P. VEEDER, VICE-PRES. & GEN. MGR.

RECEIVER'S NO.	TIME FILED	CHECK	INDICATE BY	X	RATE DESIRED
Send the following message, subject to the terms and conditions printed on the back hereof, which are hereby agreed to.					
San Diego, Calif., Jan. 8, 17.					
					<input type="checkbox"/>
					<input type="checkbox"/>
					<input checked="" type="checkbox"/>
					<input type="checkbox"/>

Wm. G. Henshaw,
762 Mille Bldg.,
San Francisco, Calif.

Board of Engineers unanimously determined net safe yield Warners Dam with dam built to one hundred seven feet in height, covering twenty year period domestic supply twenty-two million gallons daily, an increase of seven million over Lippincott-O'Shaughnessy's former report with dam at ninety feet.

Irrigation safe yield two-hundred day period twenty eight thousand acre feet annually. Congratulations.

Arrive there Wednesday morning.

Ed Fletcher.

F-S
Charge Ed Fletcher

January 12, 1917.

Mr. Wm G Henshaw,
San Francisco, Cal.
My dear Mr. Henshaw:

Confirming our verbal arrangement while in San Francisco I will proceed to tie up

- Fenton on the basis of his 90 acres of floodage rights for \$5000.00,
- Foster with his 35 acres of floodage rights for \$2000.00,
- Barnett with the purchase of his property for \$40,000 - between 900 and 925 acres - on the best terms possible,
- Smith with his grocery store, buildings and stock for \$5000.00, also

make best arrangement with Eucalyptus Culture Co., and the Mary Louise Chapman floodage rights.

This covers all the floodage rights in the reservoir site, excepting the Bernardo Rancho of which we control a half interest at the present time. I will draw upon you, from time to time, for the smallest amount absolutely required to tie the properties up.

I had a talk with Mr. Clotfelter yesterday, the attorney for the Santa Fe, and he says there is no reason why you should be compelled to pay off all these obligations at once, and there is no reason why the Mutual Water Co. cannot take your guarantee to pay it off within a reasonable length of time and not force you to dig up all the money now. All they want to know is that you have them tied up so they will be taking

January 31, 1917.

Mr. Wm G Henshaw,
San Francisco, California.
My dear Mr. Henshaw:

In the acquisition of the lands within the Carroll Damsite, or the floodage rights; Mr. Barnett first wanted \$60,000. for his land, I got him down to \$50,000., Mr. Rogers and Mr. Anthony came to me making a \$40,000. proposition, and I then went out and got him to sell the property to B. Bixler, and he gave me a commission of \$1000. There is no commission on the Fenton or Foster purchases of floodage rights. On the Chapman Estate Company property I got a reasonably low price of \$40.00 an acre, the Eucalyptus Culture Co. as well. The third time I saw the Chapman Estate Co. people for the first time I discussed commissions, told them my profit was coming later, and that I was being paid nothing by you at the present time. The deal had been closed with both parties before any talk of commission was mentioned, and I think both of them will give me five per cent commission. I need the money very much and they have agreed to pay me my commission out of the July payment. I would like to have you allow me to collect this commission as I certainly can use it to advantage now, and I will be ^{paying} ~~paid~~ one-half this commission any way later on at the final wind up. I hope that under the circumstances you can see your way clear to grant me this request and it will be appreciated.

Yours very truly,

EF:B

no chances in going ahead and building the dam. This is in direct conflict with Mr. Hodges' statement in San Francisco, but I thought I would take a chance and draw Mr. Clotfelter out, as to his attitude, and I am ^{sure} that if it is satisfactory to Mr. Clotfelter I can make it satisfactory to Mr. Hodges. This will relieve you of a great deal of heavy financing right now.

Mr. Murray will give me an answer in three or four days, as to whether the \$350,000. loan will be made or not. I sure need ready money to keep me going. Practically every minute of my time is taken up in your work. I have large interest payments to make and I think you can well afford, if I put this deal thru with Mr. Murray, to give me a liberal commission as well as pay me \$10,000 on account. Any commission that you pay me I am perfectly willing to have charged to the Volcan account, and when it is sold I will be paying for one-half of it any way, providing there are any profits which I am certain there will be.

I cannot give the best that is in me when I am worrying over my own finances, Mr. Henshaw, and you are in a position to realize what that means. Mr. Kerckhoff told me that they are paying, this week, \$30,000. to the Tubbs Estate. I have got to raise, within the next ninety days, \$15,000. or \$20,000, and I hope you can get the Tubbs Estate to send me a check for my commission on the sale to the South Coast Land Co.

Yours very truly,

February 9, 1917.

Mr. Wm. G. Henshaw,
Hills Building,
San Francisco, Cal.

Sir:-

On December 5th, 1916, the undersigned Board of Engineers received the following communication:

"At Mr. Henshaw's request you have been asked to meet as a Board and report findings on the water supply of the Volcan Land and Water Company.

The streams to be considered are the San Luis Rey at Warner's Dam and the Santa Ysabel at Sutherland and Pamo, including San Clemente Reservoir. The findings desired are:

(a) The net safe domestic yield and the proper heights of dams necessary to secure it.

(b) The net safe irrigation yield and the corresponding proper heights of dams.

In determining the net safe yield of the San Luis Rey at Warner's Dam, you will only take into consideration the demand of the Escondido Mutual Water Co. as per our agreement. On the Santa Ysabel River we would like the report of the net safe yield, without consideration of the needs of the riparian owners below Pamo; also a separate statement giving estimate of the amount of water necessary to take care of the riparian owners below Pamo and above Carroll whose riparian rights we have not yet secured. Mr. Post can give you full data as to rights heretofore acquired between Pamo and Carroll.

All riparian rights from Carroll to the ocean have been acquired and no deductions will be made on this account.

(Signed) Ed Fletcher"

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In Compliance with these instructions, the Board has held several meetings at which all available data has been examined, and analyzed. A preliminary report relating to the San Luis Rey was submitted to Mr. Fletcher on January ~~22~~⁶, 1917.

After exhaustive study of the matters submitted, the Board has arrived at the following conclusions.

San Luis Rey River

The net safe yield, after deducting for Escondido priorities, will be for domestic use, 24,750 acre feet annually, equivalent to about 22,000,000 gallons daily.

The net safe yield for irrigation purposes, assuming that a 50% supply is allowable for two consecutive years is, after providing for Escondido, 28,000 acre feet annually. = 2800 M.I.

To accomplish this result the dam at Warner will be required to hold up a normal depth of 107 feet, the storage at this elevation being 200,000 acre feet. Above this height the dam should be raised slightly to cover infrequent severe freshets, wave action and necessary freeboard above maximum flood level to insure, in conjunction with a proper spillway, that the dam will never be overtopped.

Santa Ysabel at Sutherland Site

A masonry dam with water level 190 feet above the stream bed, providing storage for 60,000 acre feet will give a net safe yield for domestic purposes of 11,200 acre feet annually equivalent to about 10,000,000 gallons daily.

For irrigation, allowing a 50% supply for two consecutive years, this reservoir will give a safe yield of 12,900 acre feet annually. = 1290 M.I.

Santa Ysabel at Pamo Site

A masonry dam with water level 156 feet above the stream bed, storing 47,500 acre feet will in conjunction with San Clemente reservoir allow a safe domestic yield of 7,000 acre feet annually equivalent to about 6,200,000 gallons daily.

The safe yield for irrigation purposes is 7,950 acre feet annually. = 795 MI, I

The "safe yields" have been determined without allowance for priorities in San Pasqual Valley.

Riparian Lands between Pamo and Carroll

Mr. W. S. Post has advised this Board by letter of January 30, 1917, that the total area which can be reasonably anticipated to be irrigated in the San Pasqual Valley lying between the opening of the canyon on the east to the east line of the Bernardo Rancho to the west, is 2,400 acres. The East and West San Pasqual Ditches have points of diversion upon the main river and command a total of 740 acres. These ditches have diversion rights between January 15th and June 15th. The Board considers that under existing conditions, relinquishments to the extent of 1,100 acre feet per annum must be made at Pamo to satisfy these diversions.

The lands of the San Pasqual Valley are composed of detrital fill, are porous and have great absorbent capacity. They are fertile and a large portion of them are already under irrigation. There are 130 square miles of drainage area below the Pamo damsite tributary to this valley. The runoff from this area will be sufficient to recharge the underlying water plane in the San

Pasqual Valley in normal years when all the irrigable land is under cultivation. In a sequence of years during which the runoff is below normal, this condition may not obtain and it might be necessary to release water at Pamo to make up the deficit. Allowing for priorities under existing conditions, the safe net yield from the Pamo Reservoir would be 5,300 acre feet for domestic uses and 6,000 acre feet for irrigation use. = 600 MI, I

The above discussion is based upon the apparent rights of San Pasqual Valley, but in the opinion of the Board the economic irrigation of this area may be better accomplished by pumping from the gravel storage, which from an investigation appears of sufficient volume, without ever lowering the water plane beyond the usual reach of pumps.

At present during portions of the year, the high level of the ground water renders much of the valley unfit for crops, is detrimental to health and contributes to large losses through evaporation from the moist areas. The construction of Pamo dam will protect from floods with the attendant soil saturation and pumping from the underflow will further assist in maintaining the water plane at a proper agricultural and sanitary depth.

The Board suggests that negotiations with the riparian owners, during which the advantages above outlined are fully impressed, might result in a relinquishment of rights to stored water at Pamo Dam except an agreement that when the ground water dropped below a plane 20 feet from the surface, the irrigators would be reimbursed for the cost of pumping below that plane. The study indicates that the chances of the water ever falling so

low are too remote to have any financial influence upon the feasibility of the projected development.

Methods of Calculation

In comparing these results with previous determinations, attention should be given to the following features of this report which have had a most important influence upon the findings.

(a) A longer record of stream flow than was available in any previous determination.

(b) The assumption of higher dams with greater storage, providing a most efficient conservation of the run-off. The records in San Diego County show that stream flow is subject to wide variations and the sequence of dry years which have occurred in the past makes advisable the storage of extreme floods which in a measure compensate for the periods of drought.

(c) Less gross evaporation, the figure used (47") being in full accord with recent scientific investigations not available in former determinations.

(d) Basing the estimated stream flow upon measured run-off instead of an assumed relation to rainfall as has been done previously.

Warners Runoff

Regarding Paragraph (d) the years of actual measured run-off of the San Luis Rey have been compared with that of other Southern California streams - Sweetwater, San Diego, Cuyamaca, Hemet, San Gabriel - giving due consideration to the difference in surrounding conditions - and a fixed relation established from which it has been possible by comparison with earlier records on these streams to restore the run-off at Warners back to the Season 1888-89. In making this restoration, three independent methods were employed: Two of the results were 4% apart and the third was a mean between the two. This close agreement allows the results adopted to be accepted with confidence.

Run-off of Santa Ysabel

There are eleven years of synchronous measurements on the San Luis Rey and the Santa Ysabel from which a relation may be established. With this relation controlling, the run-off of the Santa Ysabel has been restored from the amounts estimated for Warners as above outlined.

Conclusions

The Board's determination of safe yield is tabulated below:

Table No. 1

Net Safe Yield of Volcan Water System without Allowance for Priorities in San Pasqual Valley.

Reservoir	Net Safe Yield				Storage Capacity
	Domestic		Irrigation		
	Acre Feet	Gallons Daily	Acre Feet	Miners In.	
Warner's	24,750	22,000,000	28,000	2,800#	200,000
Sutherland	11,200	10,000,000	12,900	1,290#	60,000
Pamo and San Clemente	7,000	6,200,000	7,950	795#	56,000
Total	42,950	38,200,000	48,850	4,885#	316,000

Table No. 2

Same as Table No. 1 but with allowances for priorities in San Pasqual Valley.

Reservoir	Net Safe Yield				Storage Capacity
	Domestic		Irrigation		
	Acre Feet	Gallons Daily	Acre Feet	Miners In.	
Warner's	24,750	22,000,000	28,000	2,800#	200,000
Sutherland	11,200	10,000,000	12,900	1,290#	60,000
Pamo and San Clemente	5,300	4,700,000	6,000	600#	56,000
Total	41,250	36,700,000	46,900	4,690#	316,000

= Miner's Inches based upon 8 months continuous flow.

February 27, 1917.

Mr. Wm. G. Henshaw,
782 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

I had a conference Saturday with the attorneys for the City of Oceanside, Messrs. Richardson & Britt. Indications are good for a settlement along the lines of getting the suit dismissed when you build a pipeline to the Kelly Ranch. The property owners between there and the City of Oceanside to buy at least fifty inches of water, in which case, we will extend the pipeline to the South line of the City of Oceanside -- a certain length of time to be agreed upon in which they have the option to purchase water; after that we to sell it anywhere we want to. Nothing very definite yet, only I believe it is going to work out all right and to your satisfaction.

I see the possibility of our selling El Salto Reservoir to the San Dieguito Mutual Water Co. The bottom of El Salto Reservoir is 130 feet. We can put water into El Salto to a height of 160 or 170 feet. We can put a multiple arch dam in there at a cost of \$50,000, to a height of 80 or 90 feet. There is enough water shed to fill it every year, in addition to the surplus that we can put into it in the winter time, and it acts as a controlling reservoir.

Incidentally, it is a good chance to dispose of your Marston property, and it really fits into this scheme admir-

ably. El Salto Reservoir is 1½ or 2 miles from Carlsbad. To put it another way, we can always fill the El Salto reservoir at least half full of water from our pipeline, and the other half can be filled by about thirty miles of water shed back of El Salto.

We have another meeting Thursday or Friday, at Oceanside, when I hope to get the thing whipped into shape and submitted for your approval.

There is no use talking, Mr. Henshaw, I would not feel right to go east this week. The Cavins matter will be settled next week. This is our most dangerous point, and I want to get it behind us. My understanding is that you are going to pay cash; i.e. \$10,000.

Then I want to see this Oceanside matter in a fair way of settlement. We must get the Dinmore matter behind us. Clotfelter has not done anything yet. I shall probably go to Los Angeles to hurry him up.

John telephoned me last night, without fail, that I should come and settle up the Anaheim clay matter.

I want to be here for the filing of the Mutual Water Company papers; and to say the least, I want to see the power proposition signed up or in a fair way of settlement.

We have not got Stott yet, who owns a piece of land that just goes into the river below Carroll, and the rights of way for the canal line must be secured.

I ought not to get away from here before the first of

April. In the meantime, Choate is doing his dirty work in Washington. Something is sure doing, for a Government official has just told me that the Secretary of the Interior has sent a representative out here to look at some lands to be exchanged for the lands the Indians now live on in the El Capitan Reservation. His report for the exchange is going to be favorable, and I want to get a line on that situation in the west here before I go East. The Government representative who is going to make the favorable report on the exchange has just been called east by telegraph. To my mind, this is an indication that they are going to try to rush through the El Capitan, if possible. I am preparing to furnish Secretary Lane with additional data on this subject, and at an early date.

It is a crime that we are sleeping on our rights on the San Diego River. There is no question but what this district proposes to take over the El Capitan project -- at least a certain bunch headed by Choate, and his relations are too close to Forward to suit me. The last three years there has been more than enough water each year in addition to our needs flowing down the San Diego River to fill El Capitan Dam.

Here we control the Conejos Reservoir site above El Capitan; the Dye Canon site; have a water permit and power permit for the Boulder Creek site; and also own the Diverting Dam site. None of these four can be developed, and by building La Mesa

Dam, with an expenditure of \$200,000 or \$300,000, El Capitan would not be worth 5¢, and we are asleep at the switch.

I can get Murray to do nothing. He has completely lost his head, owing to the way his finances are tied up. We simply must buy him out, and do something to protect our interests.

When do you expect to be down?

Yours very truly,

F-S

March 10, 1917.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

As per your request, I have read the report of Messrs. Sellev and Post, under date of March 5th, and I have the following criticism to make:

1st. Their argument that the water should be brought through the Escondido ditch on account of more lands susceptible of irrigation is not worthy of consideration, for the following reasons:

(a) The Bear Valley lands of 5000 acres are almost inaccessible, ten or fifteen miles from the railroad. The land is too high in elevation for citrus fruits or winter vegetables, and could only afford to pay a very low rate for water. While, as a matter of fact, the Bear Valley section has an average rainfall of 20", and can develop its own water from wells, cheaper than you could ever furnish it from Warners Dam.

(b) In the San Marcos country, west of Escondido, some of these people claim that they can develop their own water; and at the present time the property is held by people who could not afford to contract or buy a large amount of water, particularly in the Vista section; and at any time they do want water, we are in position to throw a pipeline from the Pamo conduit adjoining the Bernardo Rancho into that section.

(2) The comparison made of the value of water for power or

domestic and irrigation purposes has no bearing, for the reason that we have never planned to waste any water after it left the power wheel.

3. The leasing of the Escondido conduit might be a very serious matter affecting the sale of the bonds. In turning the water down the San Luis Rey for 10½ miles to the Escondido conduit, thence 20 miles to the Escondido Dam, unquestionably there would be a 20 or 25% loss, which is a very serious factor. As an off-set to this, we should have been furnished with figures as to the cost of the conduit from Warners Dam down the San Luis Rey Valley, a distance of 10½ miles, which in itself is an expensive undertaking. Their plan would call for two power drops twenty miles apart, which means a very material increase in original investment, overhead and operating expenses, and many additional miles of power lines.

4. On page 15, under "Irrigating Rates," this report says that the cost to the Cuyamaca Water Company is 2½¢ per thousand gallons. The irrigating rate is as follows: 33-1/3¢ per thousand gallons for the first 3000 gallons, with a graduated scale downward until after 15,000 gallons is used the rate is 3½¢ thereafter.

The Oceanside Mutual Water Company's rate is 3¢ per thousand gallons; but they have already paid \$2000 for an inch of water stock.

4. Taking their own figures for the transmission of the Warners Water to Linda Vista Mesa is \$859,510, as per statement on page 16. I would say that a 34" cement pipe cannot be built

and laid for anything like \$9,300 a mile; nor the 42" cement pipe at \$12,000 a mile. And I consider a figure of \$1,000,000 nearer the right estimate; to which must be added at least \$200,000 for the 10½ miles of conduit from Warners Dam to the power drop above the Escondido ditch, making a total of \$1,200,000 as my estimate of the cost of the work along the lines proposed by Messrs. Post and Sellow. You still have the disadvantage of having two power drops, twenty miles apart, and at least twenty miles of additional power line, and two plants to keep up instead of one.

As they have eliminated the Sutherland project entirely, as a matter of comparison, I am still of the opinion that the following method is correct:

Cost of Warners Dam conduit and tunnel to South end of forebay, as estimated by engineers	\$ 610,000
Cost of building Pamo Diverting Dam and pipeline to San Clemente reservoir, to carry 22,000,000 gallons daily, as estimated by report of Francis L. Sellow, under date of March 9th, herewith attached	690,000
Making a total of	<u>1,300,000</u>

The added advantages of this route are as follows:

First. The sale of the power is more attractive to the purchaser than two power drops, as heretofore mentioned, on the Escondido line.

Second. A material saving from the start of loss in transmission to destination.

If desired, instead of building Pamo Diverting Dam, for

which \$90,000 has been allowed in the above estimate, this is enough and more to cover the extension of a pipeline from Pamo Dam to the proposed Warners Power Site.

Third. The water would be delivered to the San Clemente Reservoir site at over 100 feet higher elevation; and later on the San Clemente Reservoir can be used for storage purposes. On the Escondido Project, please take notice that there is no reservoir site proposed to take the place of the San Clemente. I think the San Clemente is vital eventually to our project, not alone as a storage reservoir; but has an added value on account of supplying stored water in case of emergency when our base of supply is so far distant.

Fourth. The elimination of any trouble in bonding, which might come up on the lease of the Escondido conduit.

Fifth. This immediately settles the question, so that we can, at a little expense, acquire all the balance of the riparian rights between Carroll and Pamo, somewhat similar to the successful way we have secured the rights of the San Dieguito from Carroll to the ocean.

Sixth. The Warners development, unquestionably, for some time to come would take care of the growth of the country. The Sutherland-Pamo water could be held in abeyance; and at some future time the Warners and the Sutherland-Pamo water could be combined under one economical management. While if it were handled through the Escondido project two complete and independent systems, including conduits and pipelines would have to be maintained.

I notice their reference to the fact that if the Escondido

conduit could not be leased, or was a hindrance to our project we could build twenty miles of pipeline at our own expense, parallel to the Escondido conduit. Here is another factor that would run materially into money.

I can see what to my mind is one added advantage to the Warners-Pamo line. You now own and control such reservoir sites as Pamo, Sutherland and Santa Maria. These can all be utilized for additional storage; while on the proposed Escondido project no reference is made, and we have not acquired any reservoirs for storage below. Supposing we do use the Escondido Conduit, where on earth are we going to put the water in the winter, after it is run through the power wheel?

It strikes me that after the Warners development is made and the water dropped into Pamo the way to utilize the water to your best advantage is along the following lines:

1st. Spend the \$690,000 for a pipeline to San Clemente and when it is necessary, and when enough water has been sold to warrant it build San Clemente.

2nd. Follow out my suggestion to you the other night that, until there is a large demand for water, let the Warners water run down to Carroll and pump it to the Linda Vista Mesa.

Attached hereto is a report, under date of March 9, 1917, by Mr. Sellev, showing that you can pump and put 10,000 gallons of water daily at an elevation of 550 feet on the Linda Vista Mesa on the West Tract, at a cost of 4.1¢ per thousand gallons, based on the theory that you can throw away your pipeline and

March 12, 1917.

pumping plant at the end of ten years, the total cost of your investment for said system being \$280,000.

Of course everything depends on the amount of water we can sell to the city. My private opinion is, however, that we shall be able to get a contract from the city for 5,000,000 or 10,000,000 gallons daily, and in addition form a mutual water company to take care of 15,000,000 more, on the Linda Vista Mesa and tributary country. This will warrant you in immediately putting in your pipeline and building your San Clemente reservoir at a total cost of not to exceed \$800,000 or \$900,000. In this case we can put water on the Linda Vista Mesa at an extremely low cost, and at a handsome profit to ourselves.

Yours very truly,

P-3

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

As per your instructions, I submit the following statement of facts showing what security there would be to one purchasing \$750,000 of first mortgage bonds on the Warners project. These bonds would be a first lien on the following properties:

Warners Reservoir lands, approximately 4000 acres, at \$100 per acre	\$ 400,000
2300 miners inches of water, at \$1000 per inch	2,300,000
Work completed to date at reservoir site, including cut-off wall, 1006-foot tunnel, outlet gates, settling basin, cement conduit, surveys, buildings, roads, water measurements, Government expense, rights of way to Pamo, drainage, etc.....	375,000
Total cost of completing work	750,000
TOTAL	<u>\$3,825,000</u>

I feel that I have placed a low valuation on the Warners reservoir site, and to substantiate this statement refer to Decision No. 536 of the State Railroad Commission, dated March 28, 1913, entitled James A. Murray and Ed Fletcher et al, in which President Eshleman found that the value of the Guyamaca reservoir lands, approximately 980 acres, was approximately \$90 per acre, and the balance, about 600 acres of mountainous lands outside the reservoir site approximately

\$10 per acre. A number of reliable witnesses testified that the reservoir lands were worth \$125 to \$200 per acre. The court records show that part of the Cuyamaca Reservoir lands cost originally \$200 per acre, through condemnation proceedings.

The Cuyamaca Reservoir is located at an elevation of 4600 feet above sea level. Only two or three crops of alfalfa could be raised annually, and owing to the elevation this section has heavy frosts sometimes in August and always in September of each year.

At Warners Dam, the elevation is approximately 2650 feet. We are getting four and five cuttings of alfalfa annually from alfalfa fields on the Warners Ranch; and these Warner lands are capable of much diversified farming, which is not the case at Cuyamaca. The Warner lands are also more easily accessible to market; and in time no doubt a transcontinental railroad will be built through the Warners Ranch; while the best that ever can be expected is a railroad within fifteen or twenty miles of the Cuyamaca lands.

President Eshleman in the said decision No. 536 gave a valuation of \$112 per acre for the lands flooded at La Mesa Reservoir; \$168 per acre for the Murray Hill Reservoir and \$112 per acre for the Eucalyptus Reservoir. The Cuyamaca Reservoir is sixty miles from San Diego and the Warners lands are practically the same distance, but the Warner lands have every advantage over the Cuyamaca in location, depth of soil and climatic conditions.

In decision No. 1485, being application of the City of San Diego, the State Railroad Commission, on April 28, 1914, placed valuations on the city's different reservoirs as follows:

Moreno Reservoir	\$82 per acre
Upper Otay.....	187 " "
Lower Otay	110 " "

As the Warners water will be the cheapest by far per acre foot stored of any in Southern California, the valuation of \$100 per acre for Warners lands flooded is extremely low. This valuation of \$100 per acre is made on your instructions, while my private opinion is that no court or railroad commission would place a valuation of less than \$125 to \$150 per acre as a reasonable valuation for the Warners Reservoir lands flooded.

My reasons for valuing the water rights at \$1000 per inch or \$2,300,000, are as follows:

The expenditure of the \$750,000 completes the Warners Dam and conduit, the tunnel and the Pamo drainage. From this point Warners water can be put to the city limits of San Diego and the great Linda Vista Mesa of 44,000 acres for an expenditure of \$700,000 in the construction of a pipeline, with a life of thirty years; and by the expenditure of \$1,000,000 to \$1,250,000 permanent construction can be secured.

San Diego's water system today is capable of delivering only water enough for its present domestic needs, and on January 1, 1915 had only a seven months' supply in its reservoirs.

Since then we have had heavy rainfall, which has filled the reservoirs. The floods have taken out Lower Otay Dam, but same is now being rebuilt. San Diego has no surplus water for its suburban lands for irrigation, and is continuously refusing to sell water for this purpose.

With the completion of the San Diego and Arizona Railroad assured within twelve months from date, to San Diego from Yuma Arizona, and through trains direct to San Diego from Chicago and New Orleans, via the great Imperial Valley, together with U. S. Government recognition of our harbor by recent establishment of a marine base, aviation base and coaling station together with our natural climatic advantages, our state highway, etc., San Diego is surely bound to double in population during the next five years. Our present population is approximately 100,000 within the city limits and 10,000 just outside.

The present average use of water in San Diego is approximately 9,000,000 to 10,000,000 gallons daily.

It will be seen, as per map attached that you own and control approximately 85% of all the undeveloped water supply available in San Diego County. The Cuyamaca Water Company, (in red) now practically controls the San Diego River; the Sweetwater Water Company (in yellow) the Sweetwater River drainage; and the City of San Diego (in black) the rest; with your properties controlling the Santa Ysabel, San Dieguito and San Luis Rey Rivers in green.

A personal examination by a competent engineer will show that neither the Cuyamaca Company nor the Sweetwater Company

has any more water than its own territory demands. The Sweetwater Water Company never will be able to furnish the City of San Diego excess water, and the Cuyamaca Company only for a short period. The Tia Juana River brings up an international question; the only possibility being a pumping proposition; and the city of San Diego now secures via the Dulzura conduit most of the headwater of the Tia Juana River originating in United States territory.

The City Council of San Diego in 1914 made ^{you} a tentative offer of ten cents a thousand gallons for 10,000,000 gallons of water daily, delivered at the city limits. I am reliably informed that this offer will be renewed in the near future. The sale of this amount of water alone would mean a revenue of \$365,000 a year; while the total operating expenses, including depreciation, overhead, etc. of a pipeline capable of delivering 25,000,000 gallons daily to the city limits on the Linda Vista Mesa would not exceed \$135,000, leaving a net revenue of \$230,000 annually.

The price of 10¢ per thousand gallons delivered at the city limits is a very low figure. The following report from the City Manager under date of February 23, 1917, to the Mayor of the city of San Diego, shows that the actual cost of all water per thousand gallons delivered at the city limits for the year 1915, was 18.9¢, and for the year 1916, 19¢. These figures do not include the cost of rebuilding Lower Otay Dam. 1915 and 1916 are average years, as an examination of the records will show.

The cities of San Diego, La Mesa and East San Diego, also

approximately 40,000 acres of unincorporated lands are now forming a district with the avowed intention of taking over, by purchase or condemnation all the water projects in the County. This means all of your holdings, as well.

Assuming that 10,000,000 gallons daily can be sold to the City of San Diego, this easily leaves 15,000,000 daily for other uses. From Oceanside to San Diego, there are at least 80,000 acres of arable lands that can be supplied naturally by gravity from the Paso power house and are susceptible of irrigation. In fact, there is no other source of supply available for these lands, particularly along the coast and the Linda Vista Mesa. This 80,000 acres is as nearly free from frost as any land in the United States, adapted particularly to winter vegetables, citrus fruits, etc., and is destined eventually to be subdivided into five and ten acre tracts.

Nowhere in the United States is water more valuable. See the growth of San Francisco, with a population now in excess of 500,000, and today paying 30¢ per thousand gallons for water; Berkeley and Alameda 30¢ per thousand gallons; and many other large cities at high or higher rates. Surely water is the controlling factor in this semi-arid country, where lemons bring at times \$500 to \$1000 per acre net, and winter vegetables, tomatoes, etc. \$400 to \$600 and sometimes as high as \$800 per acre annually.

Without water, these mesa lands that I have referred to will not even pay interest on a valuation of \$30 per acre. With water, the lands will easily sell at from \$400 to \$1000

per acre, depending upon location.

You already personally control 8000 to 10,000 acres of land which will be watered by this development.

I would recommend a mutual water company to take care of the surplus water; and \$1500 per miners inch for an irrigation supply is a reasonable price for water delivered in bulk.

It will cost approximately \$30 per acre additional to put in a distributing system to irrigate each ten acres. An irrigation inch of water covering an eight months' period will irrigate ten acres of land on the average in San Diego County.

Including interest and maintenance, the sale of water at \$1500 per miners inch means a cost of not to exceed \$30 per acre annually for the use of water. This is lower than the average. I refer you to the following exhibits: First, that of Charles H. Lee, U. S. Government engineer, showing the annual cost of water to average \$37.45 per acre, based on investigations as to the cost of water delivered to 55,044 acres of full-grown orange and lemon orchards in Southern California; also exhibit of G. Harold Powell, Manager California Fruit Exchange, covering 271 orchards in Southern California, showing the cost of water to be \$31.84 per acre annually.

The above statements are made to show the value of water and that my estimate of \$1000 per inch delivered at the Warners power house is low, and leaves a good margin of profit.

Added statistics may be of interest. The U. S. Supreme Court, in San Joaquin K. R. & I. Co. vs. Stanislaus Co., 233 U. S. 454-58 Lawyers Edition 1047, has determined that water rights alone irrespective of construction costs must be taken into consideration. Several courts in Northern California have placed values of \$800 to \$1000 per inch on water rights.

The State Railroad Commission in the Glendale case placed a valuation of \$3500 per inch; and in another case \$3000 per inch, etc. In making these valuations, none of these decisions included the cost of physical structures or construction cost.

A small mutual water company at Carlsbad is now pumping water and selling stock at \$3000 per inch, with an annual maintenance charge of 3¢ per thousand gallons thereafter.

The Escondido Mutual Water Company stock cost approximately \$1500 per inch.

The City of San Diego, jointly with Wm. G. Henshaw, hired P. E. Harroun, member of the State Railroad Commission, in 1914, excluding the water rights alone at \$1000 per inch, and urged the City to buy the entire system.

In 1915, the City of San Diego independently hired J. B. Lippincott, First Assistant Engineer in the construction of the Los Angeles Aqueduct, and M. M. O'Shaughnessy, Chief Engineer of the City of San Francisco, now building the Hetch-Hetchy project, to place a valuation on the Warners system. In their report they placed a valuation of \$1000 per inch on the water rights alone and urged the city to buy. If politics had not been injected into the proposition, the system would belong to the City of San Diego today.

With 50,000 acres now without water, adjoining the city limits of San Diego, and within an average of 12 miles of the center thereof, unquestionably, either by outright purchase, or through a mutual water company, the water of the Volcan system will be ultimately put to beneficial use.

\$1000 per inch for the developed water after it leaves the power wheel is, I believe, a conservative estimate of its value, particularly with the great possibilities of future growth of the City of San Diego, and its suburban territory, coupled with the limited supply of water available and a large excess of land which never will be irrigated for lack of water.

I believe this Warners water, 22,000,000 gallons daily, or approximately 2300 miners inches under normal conditions will within two years from date of completion of project, net the owners a revenue of at least \$300,000 annually; and that all of same will be put to beneficial use within four or five years thereafter. On a basis of 10¢ per thousand gallons, the revenue at that time will be in excess of \$500,000 annually.

The \$375,000 valuation for surveys, rights of way, roads, construction work completed, etc., speaks for itself, as per maps and photos herewith attached.

SUMMARY: I suggest that the loan be \$750,000, first mortgage, twenty-year, 5% bonds, to be sold at 95 or better, with a retiring clause of 105. The security to be the property above described conservatively valued at \$3,835,000 permanent construction, with an assured gross income of approximately \$75,000 annually for power and a net income of \$65,000.

You also have a reasonable assurance of a net income of \$300,000 for the sale of water within two years from date of the completion of the project. And within five or six years from date there will unquestionably be a net revenue of between \$500,000 and \$600,000 from the sale of power and water.

Yours very truly,

March 29, 1917.

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION



TELEGRAM

NEWCOMB CARLTON, PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT
C224GSQ 91 BLUE

SANFRANCISCO CAL 115P MCH 15-1917

ED FLETCHER

385

SANDIEGO CAL

HAVE WIRED THE GAS CO QUOTE HAVING FAILED TO SEND PROPOSED CONTRACT WHICH WAS TO HAVE BEEN FORWARDED TO ME SOME TWO WEEKS AGO I HAVE DECIDED TO DROP THE NEGOTIATIONS FOR THE PRESENT QUOTE AM ADVISED AND BELIEVE THAT I AM NOW FREE FROM ANY MORAL OBLIGATION OR PARTIES WILL TAKE SEVEN HUNDRED FIFTY THOUSAND BONDS WITH RETIRING CLAUSE AT ONE HUNDRED FIVE AND PAY SEVENTY FIVE THOUSAND PER YEAR RENTAL WE CAN DO BUSINESS EXPECT TO BE IN LOSANGELES MONDAY MORNING WOULD THEY NOT TAKE A FIVE PERCENT BOND

WM G HENSHAW

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

Enclosed herewith find letter from Mr. Lippincott, of the 26th, which is important and vitally affects our interests. This pertains to the litigation of the People's Water Company.

Yours very truly,

F-S

34

S W M W

April 30, 1917.

Mr. Wm G Henshaw,
San Francisco, California.

My dear Mr. Henshaw:

Answering yours of the twenty-eighth,
enclosed herewith find statement. The estimated payment is
probably excessive but I have played safe. I propose to get
from each of these parties, for a much less amount than estimated.
the floodage rights so that the Mutual Water Company will be ab-
solutely safe, and get the Mutual Water Company, as well as these
property owners, to accept the rest of the payments as they be-
come due, on the mortgages. I am taking the matter up immediately
with each individual party.

I hope to secure the floodage rights alone, free and clear
of all encumbrances, which absolutely protects the Mutual Water
Company, for the following amounts:

James Carroll -----	\$ 5,000.00
and an extension of the mortgage for one year from July 17th, 1917.	
Thomas Carroll -----	4,000.00
and an extension of the mortgage from July 7th, 1917,	
E. E. Nulton -----	2,500.00
and an extension to April 15th, 1918, for the balance,	
A. B. Chapman -----	5,000.00
and no further payments until Aug. 1, 1918	
If necessary, possibly, Eucalyptus Culture Co -----	2,500.00
and a continuation for a year of the balance \$2500., if you desire it	
F. C. Foster -----	1,500.00

WESTERN UNION

Form 2589

RECEIVERS NO.	TIME FILED	CHECK
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DAY LETTER

THEO. N. VAIL, PRESIDENT

SEND the following Day Letter, subject to the terms
on back hereof, which are hereby agreed to

May 25th, 1917.

Mr. Wm. G. Henshaw,
Millerville, San Francisco, Calif.

Just saw Watriss. Fine interview. Good prospects.
No money will be asked from you. Whitney returns Tuesday.
Watriss wants me to meet Whitney Wednesday or Thursday if
possible, so I will return. Address Hotel Biltmore.
Received telegram from San Diego - Government wants rent
free during duration of war some of the lands controlled
by us on Linda Vista Mesa for twenty five thousand troops
payroll million per month. Watriss says go ahead. Is this
satisfactory to you. Rush answer.
Hope to sell Government water either from Cayamaca or Carrol.
No immediate hurry. Will make no obligations until see you.
Satisfied arrangements can be made whereby our lands not need-
ed for Government can be supplied with water through water
system Government will install.
Watriss agrees it is advisable to hold West lands and subdivide
as per your plans leaving Coast lands to be sold within two or
three years.

ED FLETCHER.

POSTAL TELEGRAPH-CABLE COMPANY



NIGHT LETTERGRAM

THE POSTAL TELEGRAPH-CABLE COMPANY (INCORPORATED) TRANSMITS AND DELIVERS THIS NIGHT LETTERGRAM SUBJECT TO THE
TERMS AND CONDITIONS PRINTED ON THE BACK OF THIS BLANK. CLARENCE H. MACKAY, PRESIDENT.

RECEIVED AT

DELIVERY NO.

665

INDEPENDENT COMPETITIVE PROGRESSIVE

4-623

A25SF QM 120 AM 45 NL
SF SANFRANCISCO, MAY 25-17
ED. FLETCHER,

BILTMORE HOTEL, NEWYORK.

AM DELIGHTED WITH THE WAY YOU HAVE HANDLED MATTERS AND
HOPE YOU WILL HAVE A SATISFACTORY RESULT WITH THE WHITNEYS
HAVE QUITE A CURIOSITY TO KNOW WHAT ENCOURAGEMENT IF ANY
YOU HAD IN THE MATTER OF INDUCING THE SANTAFE TO
PURCHASE WARNERS NOTHING NEW HERE.

WM GHENSHAW.

Mr. Henshaw

-2-

H. G. Fenton -----	\$ 2,000.00
and a continuation of a year of \$2000.	
J. G. Merrill -----	3,750.00
M. Barnett -----	17,500.00
It is just possible I can get him to take \$12,000, but he is hard game	
Mrs X. Hill -----	10,000.00
possible \$5,000.	
Belle S. Hawks -----	1,000.00
I. Isaac Irwin -----	1,000.00
Wm R. Roeslein -----	550.00

The above totals \$56,300, which I believe it will be absolutely necessary for you to raise. Please let me hear from you on the subject.

Yours very truly,

EF:B

ALL DAY LETTERS TAKEN BY THIS COMPANY SHALL BE SUBJECT TO THE FOLLOWING TERMS:

The Western Union Telegraph Company will receive DAY LETTERS, to be transmitted at rates lower than its standard telegram rates, as follows: one and one-half times the standard night letter rate shall be charged for the transmission of fifty (50) words or less, and one-fifth of the initial rate for such fifty words shall be charged for each additional ten (10) words or less.

To guard against mistakes or delays, the sender of a day letter should order it REPEATED, that is, telegraphed back to the originating office for comparison. AND PAID FOR AS SUCH, in consideration whereof it is agreed between the sender of the day letter and this Company as follows:

1. The Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any UNREPEATED day letter, beyond fifty times the sum received for sending the same, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines; nor for errors in obscure day letters.
2. In any event the Company shall not be liable for damages for any mistakes or delay in the transmission or delivery, or for the non-delivery, of this day letter, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this day letter is hereby valued, unless a greater value is stated in writing hereon at the time the day letter is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.
3. The Company is hereby made the agent of the sender, without liability, to forward this day letter over the lines of any other Company when necessary to reach its destination.
4. Day Letters will be delivered free within one-half mile of the Company's office in towns of 5,000 population or less, and within one mile of such office in other cities or towns. Beyond these limits the Company does not undertake to make delivery, but will, without liability, at the sender's request, as his agent and at his expense, endeavor to contract for such delivery at a reasonable price.
5. No responsibility attaches to this Company concerning day letters until the same are accepted at one of its transmitting offices, and if a day letter is sent to such office by one of the Company's messengers, he acts for that purpose as the agent of the sender.
6. The Company will not be liable for damages or statutory penalties in any case where the claim is not presented in writing within sixty days after the day letter is filed with the Company for transmission.

In further consideration of the reduced rate for this special "DAY LETTER" service, the following special terms are hereby agreed to:

- A. DAY LETTERS may be forwarded by the Telegraph Company as a deferred service and the transmission and delivery of such DAY LETTERS is, in all respects, subordinate to the priority of transmission and delivery of regular telegrams.
- B. DAY LETTERS shall be written in plain English. Code language is not permissible.
- C. This DAY LETTER may be delivered by the Telegraph Company by telephoning the same to the addressee, and such delivery shall be a complete discharge of the obligation of the Telegraph Company to deliver.
- D. This DAY LETTER is received subject to the express understanding and agreement that the Company does not undertake that a DAY LETTER shall be delivered on the day of its date absolutely and at all events; but that the Company's obligation in this respect is subject to the condition that there shall remain sufficient time for the transmission and delivery of such day letter on the day of its date during regular office hours, subject to the priority of the transmission of regular telegrams under the conditions named above.

No employee of the Company is authorized to vary the foregoing.

THE WESTERN UNION TELEGRAPH COMPANY, INC. THEO. N. VAIL, PRESIDENT

CLASSES OF SERVICE

TELEGRAMS

A full-rate expedited service.

NIGHT TELEGRAMS

Accepted up to 2.00 A.M. at reduced rates to be sent during the night and delivered not earlier than the morning of the next ensuing business day.

DAY LETTERS

A deferred day service at rates lower than the standard telegram rates as follows: One and one-half times the standard night letter rate for the transmission of 50 words or less and one-fifth of the initial rate for each additional 10 words or less. Subordinate to the priority of transmission and delivery of regular telegrams. Must be written in plain English. Code language not permissible.

Telephonic delivery permissible. Day Letters received subject to express understanding that the Company only undertakes delivery of the same on the day of their date subject to condition that sufficient time remains for such transmission and delivery during regular office hours, subject to priority of the transmission of regular telegrams.

NIGHT LETTERS

Accepted up to midnight for delivery on the morning of the next ensuing business day, at rates still lower than standard night telegram rates, as follows: The standard day rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day rate for 10 words shall be charged for each additional 10 words or less. Must be written in plain English. Code language not permissible. Mail delivery, postage prepaid, permissible.

POSTAL TELEGRAPH-COMMERCIAL CABLES



OPERATOR'S NOTATIONS TIME SENT, ETC.

THE POSTAL TELEGRAPH-CABLE COMPANY (INCORPORATED)

TRANSMITS AND DELIVERS THE WITHIN NIGHT LETTERGRAM SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS

The Company will receive, not later than midnight, NIGHT LETTERGRAMS, written in plain English, to be transmitted only for delivery on the morning of the next ensuing business day, at rates still lower than its standard night message rate, as follows:

The standard day rate for a ten-word day message shall be charged for the transmission of a NIGHT LETTERGRAM, and one-fifth of the initial rate for each additional ten words or less.

To guard against mistakes or delays, the sender of a message should order it REPEATED, that is, telegraphed back to the originating office for comparison. AND PAID FOR AS SUCH, in consideration whereof it is agreed between the sender of the message and this Company as follows:

1. The Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any UNREPEATED message, beyond fifty times the sum received for sending the same, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines; NOR FOR ERRORS IN OBSCURE MESSAGE.
2. In any event the Company shall not be liable for damages for any mistakes or delay in the transmission or delivery, or for the non-delivery, of this message, whether caused by the negligence of its servants or otherwise, beyond the sum of FIFTY DOLLARS, at which amount this message is hereby valued, unless a greater value is stated in writing hereon at the time the message is offered to the Company for transmission, and an additional sum paid or agreed to be paid based on such value equal to one-tenth of one per cent. thereof.
3. The Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other Company when necessary to reach its destination.
4. Messages will be delivered free within the established free delivery limits of the terminal office. For delivery at a greater distance a special charge will be made to cover the cost of such delivery.
5. No responsibility regarding messages attaches to this Company until the same are presented and accepted at one of its transmitting offices; and if any message is sent to such office by one of the Company's messengers, he acts as the agent of the sender for the purpose of delivering the message and any notice or instructions regarding it to the Company's agent in its office.
6. This Company shall not be liable for damages or statutory penalties in any case where the claim is not presented in writing within thirty days after the message is filed with the Company for transmission.

In further consideration of the reduced rate for this special "NIGHT LETTERGRAM" service, the following special terms are hereby agreed to:

- (A) NIGHT LETTERGRAMS may be forwarded by the Telegraph Company as a deferred service and the transmission and delivery of such NIGHT LETTERGRAMS is, in all respects, subordinate to the priority of transmission and delivery of regular telegrams.
- (B) NIGHT LETTERGRAMS shall be written in plain English. Code language is not permissible.
- (C) The above terms and conditions shall be binding upon the receiver as well as the sender of this NIGHT LETTERGRAM.
- (D) NO EMPLOYER OF THIS COMPANY IS AUTHORIZED TO VARY THE FOREGOING.

CLARENCE H. MACKAY, PRESIDENT. CHARLES C. ADAMS, VICE-PRESIDENT. EDWARD REYNOLDS, VICE-PRES. AND GENERAL MANAGER. CHARLES P. BRUCH, VICE-PRESIDENT.

THE FASTEST TELEGRAPH SERVICE IN THE WORLD

JUNE 4th 1917 7

William G. Henshaw,
Mills Building,
San Francisco, Cal.

My dear Mr. Henshaw:

At last I am able to report on my entire trip East.

At Washington the U. S. Forester, after a conference with his Engineer and Attorney, said that the Secretary of the Interior could not legally grant an extension but the Forest Service really controlled the situation and the Department of the Interior only normally had control.

Mr. Graves advised me not to go to the Secretary of the Interior, but I felt you would prefer to have something from Mr. Bradley, if possible, so had a personal interview and took him to lunch.

He wanted to investigate the situation and I received word from him in Mass. advising me to present the matter to him formally and he would give a letter that would satisfy you if the facts presented warranted it. I wired

William G. Henshaw - 2 -

June 4, 1917.

you today that I had the desired letter and was able to explain everything satisfactorily to the Forest Service.

I had two conferences over the right to build Warner's Dam with the Commissioner of Indian affairs and his Lieutenants so far as the Pala and Rincon Indian reservations are affected.

Everything went smoothly and a contract will be submitted for your approval within three or four weeks that I am sure will be or can be made satisfactory.

At New York everything went smoothly as I will explain upon my arrival in San Francisco, and a two year extension or a new contract can be made.

I put the buck up to them straight that you were materially increasing the value of their land by your water development for which Whitney had not put up a cent; that Whitney was doing the smallest part of it in putting up the money for the lands; that Whitney should put up some of the money to help complete the Vulcan project and Mr. Watriss assured me that Mr. Whitney would certainly put up a million dollars anyway providing we could show an income from the sale

William G. Henshaw - 3 -

June 4, 1917.

of water and power that warranted the completion of the project. I told Mr. Watriss it was my own suggestion, not yours, in the matter of asking Whitney to put up part of the Vulcan development cost.

I stopped at Canton, Ohio, and saw Mr. Timkin, who is very much interested in any proposed railroad. Without committing himself he said that if he owned Warner's ranch, he would be willing to give a bonus of a half million to any railroad who would build through it to Imperial Valley, and Timkin will be out in July to look the Warner's ranch over thoroughly.

Today I had a fine talk with Mr. Hodges. He said if the SanDieguito Water Company was sold to a district at a profit, he could easily get a million or more for the Vulcan project. I have gone as far as I dared with Mr. Ripley in the sale of the Warner's ranch to the Santa Fe. I have today gone over the entire matter again with Mr. Hodges, who is going the limit to assist in the sale on the understanding that if the sale is made you guarantee the immediate development of the Vulcan system. Hodges has agreed with me that

William G. Henshaw - 4 -

June 4, 1917.

another way to help out is to get Mr. Wells to make a favorable report on the purchase of the Warner's ranch by the Santa Fe Land & I. Co. I will do this if possible, and immediately upon my return.

The relationship between Mr. Wells and myself could not be more cordial. This is not my own assertion alone. I will arrive in Oakland probably Saturday afternoon, if not, Sunday. I know you like your nap Sunday morning, but would like to see you Sunday afternoon if possible, so that I may leave Sunday night for Los Angeles, unless for some reason you desire to have me stay over until Monday. I will wire you from Butte, Montana, or telephone you from Sacramento Saturday morning. Kindly write me Sacramento care A. B. Fletcher, State Highway Commission. I must see State Engineer McClure about district matters and understand he has not yet approved Eastwood's plans for Carroll.

With kind personal regards and assuring you I am going strong for that commission for the sale of Warner's ranch, I am

Very sincerely yours,

W. G. Henshaw

My keep in my box as record. Don't pay Heger any thing till I return. He owes me money. I told letter from you fine you say let

July 13, 1917.

Mr. Wm. G. Henshaw,
C i t y.

Dear Sir:

Herewith original and three copies of proposed Articles of Incorporation of the Warner Mutual Water Company.

Also original and three copies of proposed Articles of Incorporation of the Pamo Mutual Water Company.

Each original must be signed twice by each person named as Director. Blank lines therefore are provided on page 3 of the draft. One column of blank lines for Director and another column for Incorporator.

Each original must be acknowledged by each signer before a Notary Public. Appropriate certificates of acknowledgment are provided on pages 3, 4 and 5 of the draft.

When these originals are executed as above stated each of the copies should be completed by filling in all of the blanks therein as they are filled in on the corresponding original.

When these things have been done, then each original should be filed in the office of the Clerk of the County of San Diego.

There should be presented to him a copy of each original which he will certify.

The copy, so certified, must then be filed with the Secretary of State.

The fee for filing with the County Clerk is, I think, \$1.50 for each corporation.

The fee for filing the certified copy with

Mr. Wm. D. Henshaw -2-

the Secretary of State is:

For the Warner Company \$1000.00
plus about 10.00
for various fees in addition to the filing fee.

For the Pamo Company \$900.00
plus about 10.00
for fees for various things, other than filing.

Very truly yours,

W. D. Henshaw

UTC/C
Encs.

August 7, 1917.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
~~San Francisco, Calif.~~

Los A.

My dear Mr. Henshaw:

Enclosed find copy of my telegram
received from H. H. Jones today, in relation to the
purchase of power.

Yours very truly,

F-S

September 7, 1917.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

I am glad to receive yours of the 5th,
in relation to the sale of power. I will see Jones at an
early date.

West rang me up and said he was on his way to Denver, and
was going by way of San Francisco to see you. I told him that
you had been thrown up in the air by a letter from Thelen, and
nothing more.

I went to Los Angeles yesterday and saw Mr. Hodges. The
report of the engineers Case and Kellogg was quite satisfactory
as to the additional costs of a pipeline to Carlsbad and Del Mar,
but Hodges was not satisfied and said that we ought to have another
engineer check them up. I agreed with him and suggested Mr. Lippin-
cott. Lippincott has been hired at a salary of \$200 a month, as
consulting engineer, and he is going to check over all the work
done by the other engineers.

Now Lippincott is our consulting engineer and consulting
engineer for the San Dieguito Mutual Water Co., and also engineer
for the Escondido Mutual Water Co., and I believe he can be of
considerable assistance. The time is coming when it will be ex-
tremely valuable to us to have our San Elijo Dam filled up by
excess water from the San Luis Rey River, which will flow now
by gravity from the Escondido intake and down the Escondido across
to San Elijo.

Mr. Kerckhoff, Mr. Hodges and I had an interview yesterday,
which was very satisfactory. Kerckhoff is anxious to go ahead,
but the fact remains that we can get much higher valuations and
much greater chance of success if the water is actually on the
ground on the coast, for the Bonding Commission, in the last
analysis will have the final say as to how much the district
can be bonded for.

I wish particularly to call your attention to this: That
the State Engineer can approve of the price for the sale of the
San Dieguito Mutual Water Co's. system to the District and the
bonds can be issued entirely independent of the Bonding Commis-
sion's approval, which does not have to be secured. The only
object in getting the Bonding Commission's approval is that
the bonds may be used in banks as security. I am telling Mr.
Hodges that, while it is possible that those bonds now would not
be approved by the State Bonding Commission, yet there will be
no trouble in getting them validated by the State Bonding Com-
mission in three or four years when the system is completed and

more development has taken place. The State Bonding Commission will only allow the District to be bonded for 60% of the valuation arbitrarily placed on the District by the Bonding Commission, and they are not going to put anything like the right kind of a valuation on that property in its present condition; while with the system complete and the water being put to beneficial use it will double or treble the value of the property. In other words, the Bonding Commission are not going to take the Santa Fe's word, or anyone's word, that we will build this water system, but it must be built first before we can get the proper valuation necessary to get the bonds approved. I have convinced Mr. Hodges of this fact, and he is willing to recommend to the Santa Fe Railroad that they take the bonds without the State Bonding Commission's approval. I believe this is a strong point in our favor toward success.

In relation to selling water to the City, the Committee are going to report favorable for 5,000,000 gallons daily, according to my understanding. It will be up to the Council then to take some action.

Regarding the condemnation of the riparian owners in the San Luis Rey Valley, Mr. Henshaw, I can't see any reason for delay. You surely don't want to take action individually and become a public utility. The only other way is to form a district and that is impossible at the present time. While through a Mutual Water Co. it is true you may be taking some risks, yet they are the least of all, and just as sure as the sun rises and sets, I am satisfied we will form a district from Escondido to Oceanside, eventually, and in the meantime there is no chance of the Railroad Commission butting in -- at least but a slight chance. There is nothing that will be so impressive to the people of San Diego and make them hurry up as to file these condemnation suits in the San Luis Rey Valley, and particularly at a time when the City of Oceanside is friendly to us, and if Mr. Spencer's word is any good we will receive no opposition from them in court. I sincerely trust you will take this matter up and definitely determine same at an early date.

When do you expect to come South again?

I am very anxious to talk with Chandler of the State Water Commission, who is in closer touch with Max Thelen than any other man in California, and Chandler is my personal friend. It may be advisable for me to come up to San Francisco next week -- particularly if you are not coming down -- as I have a number of matters I would like to take up with you. What do you think about it?

Yours very truly,

F-S

September 8, 1917.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

Confirming telegram today, enclosed herewith find copy of resolution which was unanimously adopted at the Chamber of Commerce meeting. Also find copy of letter which I wrote several days ago to Mr. Wangenheim, at his request. I wish you would look that over very carefully. I am sure this has had a tremendous effect on Wangenheim, and I am sending it to a number of business men throughout the city.

Nothing has been done toward buying any surplus water from the Cuyamaca, and you will notice it was not mentioned in the report. I happen to own a portion of the damsite in the San Diego Gorge, as recommended by this committee. It is a mile above the San Diego Mission. I told the Committee that if they would withdraw their El Capitan suit, that as far as I was concerned I would give my interest in the damsite to the city. It only means \$600 or \$800 to me, but I was so tickled to see them come out so strong for the Volcan that I wanted to show them that we were not fighting any legitimate development.

Sam Ferry Smith, who also owns a portion of the damsite, and is one of the committee, offered his land within the damsite, free. The dam there is not of very large capacity, and I would rather see a dam there than anywhere else on the San Diego River. On the other hand, it is economical for the City, as it eliminates nearly \$1,000,000 worth of pipeline construction, and eliminates most of the riparian owners.

Glad to take this matter up with you, at your convenience.

Yours very truly,

F-S

William G. Henshaw
 Mills Building
 San Francisco

San Francisco, Cal. Sept. 15, 1917.

Mr. Ed. Fletcher,
 San Diego, Cal.

Dear Mr. Fletcher:-

I am in course of making up a statement as at August 31st of the different properties, etc., which should go into the Carroll Project.

The actual properties which go in so far as I know are:

Property	Amount	Total	Flooded	Acres
Nulton	12,500.00	12,500.00	(32.3)	85
Tom Carroll	21,600.00	21,600.00	26.8	35
J. B. Carroll	55,290.00	55,290.00	172.8	172.8
Chapman	18,400.00	18,400.00	26.2	32.3
S. Carder Smith	5,000.00	5,000.00	141.3	76.8
Barnett	40,000.00	40,000.00	2.5	189.5
Merrill	15,821.50	15,821.50	172.8	262.5
Bernardo	60,000.00	60,000.00	141.3	67.5
Rosselein	1,750.00	1,750.00	231	141.3
Total	\$ 230,361.50		231	2.5

Riparian

Besides the above there are several other things which I think should also be included such as:

Carroll & Bernardo Reservoir	26,101.53	(at Aug 31/17)
Riparian Rights		
Rights of Way		
Proportion of Engineering & Surveying		
" " General Expense, attorney fees, etc.		

I cannot tell with any degree of certainty just what these should be.

Will you please therefore make me up a Statement showing all the items which you think should be included, and also what ratio should be used in arriving at a proportion of Engineering & General Expense.

Please advise me if I am correct in figuring that the cost of construction Carroll & Bernardo Reservoir is to be repaid to Mr. Henshaw.

Yours truly,
 W. Lees.

Information in Re Carrol Dam - letter from Wm. Lees (Henshaw) 9-15-17

	Full purchase price	Floodage Price	Acres Flooded
H.G. FENTON		\$5000.00	85 acres
F.C. Foster -----		2000.00	35 "
Melancton Barnett	\$40,000.00 (\$20,000 -Pd)		172.8 "
E.E. Nulton	12,500.00 (\$6000.00 Pd)		32.3 "
Tom Carroll	21,600.00 (\$12,600-Pd)		76.8 "
Jim Carroll	55,290.00 (\$17,372.50 Pd)		189.5 "
Eucalyptus Culture Co.	6,200.00 (\$3500.00 Pd)		262.5 "
Mary Louise Chapman	18,400.00 (\$6000.00Pd.)		67.5 "
Antionette B. Smith	5,000.00 (\$500.00)		141.3 "

Ed Fletcher et al 231. "

(Original Bernardo Grant \$100,000.00 (\$45,000 Pd)

(\$60,000 Mtg. in favor of Mrs. Hill - Pd. \$5000.00 for floodage release

\$15,821.50 - Merrill - Paid \$5000.00 and will pay \$1821.50 for release of floodage from Mortgage

\$10,000.00 - Cavins in Cash and assumed his interest in the \$60,000.00 Mortgage

THE PROPERTY FROM THE DAM TO THE OCEAN IS

	Full Purchase Price	Cost of Riparian right
Louis Cassou	\$2700.00 Pd.	
I.I. Irwin	3200.00 "	
Belle S. Hawkes	2400.00 "	
G.F. Statt		10.00
Lewis Weller		50.00
J.H. Dinsmore	Paid him \$100.00 for Atty. Fees	
Santa Ana Sugar Co.		4500.00
John Dawson		
Peter Jaurequi	Bought Baker Ppty. and turned it over to him for the riparian Right. Ppty. Cost \$500.00	
Jennie C. Stevens		50.00
U.S. Stone Entry (Mitchel)		400.00
Wm. Rosselein	\$1750.00 (Pd. \$750.00)	
John B. Osborn		Nothing
P.R. Johnson-Henshaw	80 acres Scrip at \$10.00 or \$800.00	
South Coast Land Co.		Have Agreement



RIVERSIDE PORTLAND CEMENT CO.

640 TITLE INSURANCE BLDG.
LOS ANGELES, CAL.

October 10, 1917.

Mr. Ed. Fletcher,
San Diego, California.

Dear Ed:

Answering yours of the 5th inst: I am convinced that the surest way to accomplish what Mr. Jones desires is to proceed along the lines of selling to a district as was started several months ago. If Mr. Jones undertakes to accomplish this he will be entitled to the power contract. As the matter now stands I am entirely free from any commitment on the power, and intend to maintain that position until my plans are more definitely determined. I know you appreciate the obstacles we have discovered in the attitude of Max Thelen of the Railway Commission.

If Mr. Jones accomplishes the matter as above indicated, the price of 6½ mills I will consider satisfactory. Any excess value the power would be considered to possess will be offset by Mr. Jones' activity in disposing of the property to a district. I am convinced that if I have an opportunity of a few minutes conversation with Mr. Jones I can clarify his mind and satisfy him.

I am writing today to Mr. Dorland, and in explaining the matter to Mr. Dorland will state that the water for power use will be reserved in case of a sale of the property.

Yours truly,

Wm. G. Henshaw

WGH/NEM

84

October 11, 1917.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

Enclosed find copy of letter to the Secretary of the Interior, with enclosures, which I wish you would please send to Mr. Bradley, and urge him to personally read this statement of facts and give his personal attention to this case.

The Commissioner of Indian Affairs, Mr. Sells, who was here last week told me that he would make his report at an early date to the Secretary of the Interior, and that the Secretary of the Interior and Congress would decide the question at the next session of Congress.

Yours very truly,

F-S

October 23, 1917.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

In the matter of conduit Warners to Pamo, the surveys are all completed and the office work will be out the last of this week.

The surveys show that the tunnel into Black Canyon direct from Warners Dam is 6000 feet longer than via Mr. Baum's proposed route; that the line is four miles shorter than via Mr. Baum's plan; that the additional power drop is 55 feet more than according to the original plans of Mr. Hawgood and 28 feet more than via the route suggested by Mr. Baum.

Also, there are better building conditions via Black Canyon, owing to the accessibility of the county roads.

The above facts will be of interest to you, and it is a matter of the engineers getting down to it and determining the relative cost.

I suggest that you authorize me to have Mr. Hawgood come down first, go over the whole proposition and make his report; then get Mr. Lippincott to go over the whole thing and make his report as to which of the three routes is the best. Then with that done, get Mr. Baum down, and let him decide the matter.

In the matter of developing power from Sutherland, the conduit line is nearly three miles longer and you lose 20 feet of power drop I believe, but the advantage is one power house.

On receipt of instructions from you to ahead, I will get a report as soon as possible from Hawgood and Lippincott.

Yours very truly,

F-8

William G. Henshaw
Mills Building
San Francisco

San Francisco, Cal. Oct. 25, 1917.

Mr. Ed. Fletcher,
San Diego, Cal.

Dear Sir:-

Answering yours of Oct. 22nd: I am very much surprised that you should maintain any such claim for "using your best efforts in securing the riparian rights on the Volcan system", to use your own words.

Further, I will say that I didn't know that those amounts were paid to you on this account, and it must have been included in the statements that were not called to my attention.

Please remember that you and Keller were to be paid for securing the rights. Keller did nothing in the matter, and in fact did everything he could to prevent the obtaining of the rights, and consequently, any transfer of any presumed interest of his to you would be certainly not equitable.

Further to speak frankly, as you have advanced this claim, please do not lose sight of the fact that the thing has outlawed morally and legally; that, further, the amount originally stated was based upon misrepresentation, because both you and Keller told me that it would cost comparatively nothing to get these rights, and that it could be done within a very few months. Add to this, the fact that I have since given you an interest in the profits of the transaction; it amazes me that you should bring up such a charge against me as the above.

If I considered that there was any justice or legality in it, I wouldn't for a moment question the matter, but it is a little discouraging to me to find your avidity to grab any money from \$1.00 up that appears in sight as returns from anything.

I do not understand how even from your standpoint you could collect money for services when the services were not completed and no compensation could possibly be due.

I have given you certainly notes in payment of the Cuyamaca and I would request you to kindly send me a receipt for the amounts that you mention as paid of \$500.00 on Dec. 7, 1912, \$1000.00 on April 30, 1915, \$500.00 on Dec. 6, 1916, and also such "small amounts as I have been charged since, so that the record to date shows that you (I) have paid \$2533.05."

Yours truly,

Wm. G. Henshaw

WGH

Mr. Henshaw personally dictated this letter but had to leave the office before it was ready for his signature.

November 1, 1917.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

Answering yours of the 25th, in relation to compensation for riparian rights, I thought we had an understanding that where things did not look right and were unsatisfactory, we would discuss such matters personally.

You certainly take the heart out of me by writing such letters. If I did not feel that I know you so well and that the letter was written in a hasty moment, I could be of no further use to you in San Diego County.

You made a definite agreement to pay Mr. Keller and me \$5000 for securing the riparian rights on the San Luis Rey and the San Dieguito Rivers. It is true you put a clause in the agreement that the money was not to be paid until the riparian rights were secured. Legally, I could not ask for a cent until all had been secured. There are a number of reasons why these riparian rights were not secured a long time ago. We secured all the riparian rights we could at the start, at a low price; but the plans were afterwards changed to buy lands and riparian rights. You and I both thought that it was the cheaper way to do. Several ranches were bought and sold, for which the riparian rights cost you practically nothing. Then the hard times came. You were not able to put up the money, and we simply did the best we could under the changed conditions.

I don't know what representations Mr. Keller has made to you in regard to riparian rights; but I do know that the cost of the riparian rights on the San Dieguito from the ocean to Pamo are not going to be as much as I stated to you. The cost will be greater on the San Luis Rey, owing to the changed conditions, the purchase of lands, the flood damage and the unexpected opposition of the City of Oceanside.

In your letter to me you used the word "misrepresentation" in this matter, and I feel it an injustice, for I gave the best estimate I could, based on past costs. You say the amount paid me on riparian rights were not called to your attention.

On November 30, 1913, I wrote you as follows:

"I have just simply got to have some money, for I am right up against it without mortgaging my property, and I want you to send me a check for \$1500 on account of riparian rights. It will be a personal favor if you will send me a check for this amount before you leave for the east."

On December 4, 1913, in answer thereto, you wrote:

"I would like very much to accommodate you, but the best I can do is to send you a check for \$500 on account, which I send herewith."

On or about April 26, 1915, you gave me authority to draw on you for a thousand. On May 4, 1915, I received a letter from Mr. Metcalf as follows:

"That the draft for Mr. Henshaw that you drew on him on April 29 was for your personal account. I see on the face of the draft that you have riparian rights. Kindly advise me just what this draft is for."

On the 10th of May, I wrote that the thousand dollars was on account of riparian rights, if it is agreeable to Mr. Henshaw. On the 14th of May, 1915, I received from Mr. Metcalf the following letter:

"Answering yours of May 10, the thousand dollars referred to is charged against your account with Mr. Henshaw, but not on account of the matter of riparian rights on the San Luis Rey River, as Mr. Henshaw explained to me that there was nothing due you until the riparian rights were cleared up."

On May 19th, I wrote:

"I will say that it didn't make much difference what account the money was charged to since I got the money, which I was duly grateful for; however, Mr. Henshaw agreed to pay \$5,000 for the riparian rights. After working three or four years to secure them and after securing three-fourths of them it seems to me that at least another thousand dollars is coming on that account. As a matter of fact, the real trouble is the hard times and lack of money, and through no fault of mine that we have not secured the water rights long ago."

I heard nothing more in answer to this, Mr. Henshaw, and simply assumed that until I heard again from you or Mr. Metcalf we would let the matter stand.

On December 6, 1916, to the best of my recollection, you gave me permission to draw \$500 for riparian rights. This I did in connection with draft for other money.

On December 11th, I received a letter from you, signed by Mr. Metcalf, asking how much commission was on the ranch lease, and how much for riparian rights.

On December 15th, I wrote you as follows:

"\$2500 being my commission in full in the Warner Ranch lease and \$500 applies to the riparian right agreement."

I paid H. W. Keller \$2500 in gold coin or its equivalent, a \$3500 note of the South Coast Land Company, for his half interest in the riparian rights and to eliminate him from the old contract originally made. Keller could have been mean and could have cost us five or ten thousand dollars in attorney's fees alone, if I had not eliminated him the way I did.

You know I have been hard pressed for ready money. The \$500 a month that I receive from you and the San Dieguito Water Company does not pay the office expenses, and I have not drawn a dollar from the Cuyamaca Water Co. for nearly a year. I have no outside source of income, like yourself, and have had to make it to live, for the family costs me a thousand dollars a month, and paying interest on over a hundred thousand with a sister-in-law costing me \$200 a month, and other things I could mention. Certainly, I have had my troubles as well as carrying some of your troubles in San Diego County.

You never, by word or letter, informed me, before, that there was nothing coming to me on riparian rights; in fact, your own files show the reverse, and in any event what you do pay out is charged up against the proposition and reduces the profits, in which I participate to that extent.

However, Mr. Henshaw, if you had written a letter the other day and stated that under the changed conditions you do not think I am entitled to any more money under the riparian right agreement, that would have been satisfactory, but instead you put me in the following questionable light: That the old claim for riparian rights was outlawed, morally and legally; that the amount agreed upon was based upon misrepresentation; and you add that it is discouraging to you to find my avidity to grab any money from a dollar up.

I admit that according to the contract, the way you word it, I could not collect a nickel until after the riparian right is completed, and you could take a lifetime in doing it. I did not demand it, but asked you if you would allow me to apply this money to the riparian right agreement. I felt that it was equitable,

and had no idea that you questioned the account until now.

It is hardly necessary for me to say that the hardest job I ever did in my life for you was the purchase of the Linda Vista bonds and the dissolving of the District; and that I have never received a cent to date. The most successful piece of work that I ever did was the conceiving and putting through the San Dieguito Mutual Water Company. It means everything for both of us, and you will get enough out of that alone to pay you back for the cost of all the riparian rights on both rivers, and within the next twelve months, from all indications.

I have been abed three days since I received your letter, with the grippe and tonsillitis, and I want to tell you they have been three days of nightmare.

No one has to be tied up to me for a minute if they are dissatisfied with me; my conscience is clear and to no man living have I ever given my all, strength and loyalty as to you. After talking this matter over with you personally I hope to settle it to our mutual satisfaction.

Yours very truly,

F-S

84

November 17, 1917.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

The city officials of San Diego are certainly after El Capitan dam site. Scott Ferris of the Indian Lands Committee of the House of Representatives was taken out by the city officials, including Cosgrove, today, to El Capitan, and through the Indian Reservation. They are going to make a big fight to win, this coming winter, in Congress.

Yours very truly,

F-S

November 1, 1917.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

Answering yours of the 25th, in relation to compensation for riparian rights, I thought we had an understanding that where things did not look right and were unsatisfactory, we would discuss such matters personally.

You certainly take the heart out of me by writing such letters. If I did not feel that I know you so well and that the letter was written in a hasty moment, I could be of no further use to you in San Diego County.

You made a definite agreement to pay Mr. Keller and me \$5000 for securing the riparian rights on the San Luis Rey and the San Dieguito Rivers. It is true you put a clause in the agreement that the money was not to be paid until the riparian rights were secured. Legally, I could not ask for a cent until all had been secured. There are a number of reasons why these riparian rights were not secured a long time ago. We secured all the riparian rights we could at the start, at a low price; but the plans were afterwards changed to buy lands and riparian rights. You and I both thought that it was the cheaper way to do. Several ranches were bought and sold, for which the riparian rights cost you practically nothing. Then the hard times came. You were not able to put up the money, and we simply did the best we could under the changed conditions.

I don't know what representations Mr. Keller has made to you in regard to riparian rights; but I do know that the cost of the riparian rights on the San Dieguito from the ocean to Pamo are not going to be as much as I stated to you. The cost will be greater on the San Luis Rey, owing to the changed conditions, the purchase of lands, the flood damage and the unexpected opposition of the City of Oceanside.

In your letter to me you used the word "misrepresentation" in this matter, and I feel it an injustice, for I gave the best estimate I could, based on past costs. You say the amount paid me on riparian rights were not called to your attention.

On November 30, 1918, I wrote you as follows:

"I have just simply got to have some money, for I am right up against it without mortgaging my property, and I want you to send me a check for \$1500 on account of riparian rights. It will be a personal favor if you will send me a check for this amount before you leave for the east."

On December 4, 1912, in answer thereto, you wrote:

"I would like very much to accommodate you, but the best I can do is to send you a check for \$500 on account, which I send herewith."

On or about April 26, 1915, you gave me authority to draw on you for a thousand. On May 4, 1915, I received a letter from Mr. Metcalf as follows:

"That the draft for Mr. Henshaw that you drew on him on April 29 was for your personal account. I see on the face of the draft that you have riparian rights. Kindly advise me just what this draft is for."

On the 10th of May, I wrote that the thousand dollars was on account of riparian rights, if it is agreeable to Mr. Henshaw. On the 14th of May, 1915, I received from Mr. Metcalf the following letter:

"Answering yours of May 10, the thousand dollars referred to is charged against your account with Mr. Henshaw, but not on account of the matter of riparian rights on the San Luis Rey River, as Mr. Henshaw explained to me that there was nothing due you until the riparian rights were cleared up."

On May 19th, I wrote:

"I will say that it didn't make much difference what account the money was charged to since I got the money, which I was duly grateful for; however, Mr. Henshaw agreed to pay \$5,000 for the riparian rights. After working three or four years to secure them and after securing three-fourths of them it seems to me that at least another thousand dollars is coming on that account. As a matter of fact, the real trouble is the hard times and lack of money, and through no fault of mine that we have not secured the water rights long ago."

I heard nothing more in answer to this, Mr. Henshaw, and simply assumed that until I heard again from you or Mr. Metcalf we would let the matter stand.

On December 6, 1916, to the best of my recollection, you gave me permission to draw \$500 for riparian rights. This I did in connection with draft for other money.

On December 11th, I received a letter from you, signed by Mr. Metcalf, asking how much commission was on the ranch lease, and how much for riparian rights.

On December 15th, I wrote you as follows:

"\$2500 being my commission in full in the Warner Ranch lease and \$500 applies to the riparian right agreement."

I paid H. W. Keller \$2500 in gold coin or its equivalent, a \$2500 note of the South Coast Land Company, for his half interest in the riparian rights and to eliminate him from the old contract originally made. Keller could have been mean and could have cost us five or ten thousand dollars in attorney's fees alone, if I had not eliminated him the way I did.

You know I have been hard pressed for ready money. The \$500 a month that I receive from you and the San Dieguito Water Company does not pay the office expenses, and I have not drawn a dollar from the Guyamaoa Water Co. for nearly a year. I have no outside source of income, like yourself, and have had to make it to live, for the family costs me a thousand dollars a month, and paying interest on over a hundred thousand with a sister-in-law costing me \$200 a month, and other things I could mention. Certainly, I have had my troubles as well as carrying some of your troubles in San Diego County.

You never, by word or letter, informed me, before, that there was nothing coming to me on riparian rights; in fact, your own files show the reverse, and in any event what you do pay out is charged up against the proposition and reduces the profits, in which I participate to that extent.

However, Mr. Henshaw, if you had written a letter the other day and stated that under the changed conditions you do not think I am entitled to any more money under the riparian right agreement, that would have been satisfactory, but instead you put me in the following questionable light: That the old claim for riparian rights was outlawed, morally and legally; that the amount agreed upon was based upon misrepresentation; and you add that it is discouraging to you to find my avidity to grab any money from a dollar up.

I admit that according to the contract, the way you word it, I could not collect a nickel until after the riparian right is completed, and you could take a lifetime in doing it. I did not demand it, but asked you if you would allow me to apply this money to the riparian right agreement. I felt that it was equitable,

and had no idea that you questioned the account until now.

It is hardly necessary for me to say that the hardest job I ever did in my life for you was the purchase of the Linda Vista bonds and the dissolving of the District; and that I have never received a cent to date. The most successful piece of work that I ever did was the conceiving and putting through the San Dieguito Mutual Water Company. It means everything for both of us, and you will get enough out of that alone to pay you back for the cost of all the riparian rights on both rivers, and within the next twelve months, from all indications.

I have been abed three days since I received your letter, with the grippe and tonsillitis, and I want to tell you they have been three days of nightmares.

No one has to be tied up to me for a minute if they are dissatisfied with me; my conscience is clear and to no man living have I ever given my all, strength and loyalty as to you. After talking this matter over with you personally I hope to settle it to our mutual satisfaction.

Yours very truly,

F-S

C o p y

November 3, 1917

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

Answering yours of November 1st, will say: I am closing the Rice-Ward matter. While the loan is only for a year, I am sure I can get it extended two years, if desired.

I am in Court on the Cuyamaca Water Co. condemnation case Tuesday, and perhaps Wednesday. I hope that you will arrange to stay for three or four days when you come down, and Thursday would suit me. I want you to see a number of people here and get in touch with the situation, and particularly, I want you to see what we are planning in the shape of development on the lands that you control in San Diego County.

I have been thinking it over -- this matter of riparian right payment -- since writing you day before yesterday, and will say right now that if we can't agree in this matter, I am perfectly willing to leave it to your brother - the Judge - to decide, on the basis of what is right between man and man. The least that I feel I am entitled to is what I have paid Keller, and let it be charged as part of the expense of the proposition.

It is not so much the matter of the money, Mr. Henshaw, I tell you frankly, as it is writing letters that hurt, for I feel that letters of that character do us both an injustice. I certainly want to represent you in San Diego County, if everything is mutually agreeable, for I live the work, and I believe I am fitted for it. But I am upset for a week over a letter of that kind, and I can't believe that you really meant the impression that your letter conveyed.

Yours very truly,

F-S bm

November 3, 1917.

Mr. Wm. G. Henshaw,
763 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

Answering yours of November 1st,
will say: -I am closing the Rice-Ward matter. While the
loan is only for a year, I am sure I can get it extended
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do us both an injustice. I certainly want to represent
you in San Diego County, if everything is mutually agree-
able, for I love the work, and I believe I am fitted for
it. But I am upset for a week over a letter of that kind,
and I can't believe that you really meant the impression
that your letter conveyed.

Yours very truly,

F-S

November 27, 1917.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

Enclosed find article from the San Diego Herald, by Mr. Rufus Choate. The amazing thing, and one that cannot be controverted is the following:

I came home yesterday with Mr. Harper, San Diego representative of Mr. E. W. Scripps, and a brainy man. He represented E. W. Scripps at the Exemption Board meeting yesterday, and was very appreciative of my assistance in getting temporary exemption for Scripps' son, James Scripps. Mr. Harper voluntarily brought up the subject and said

"Why is it that John Forward, Jr. is trying to develop a rival water concern? Why don't he attend to his banking business?"

I asked him to explain, as I was not aware that Forward was starting a rival water concern. Mr. Harper's answer was

"Within the last two weeks, John Forward, Jr. has come to me and urged me to recommend to E. W. Scripps that Scripps join in the construction of a dam at Mission Gorge, at the westerly end of El Cajon Valley. Mr. Forward said that that was the next water development that was going to take place; that Mr. Scripps has several hundred acres of land that would be flooded; that they had already secured a damsite from Mr. West; and that they would like to have Mr. Scripps join in."

Mr. Harper said he could not recommend any such plan, and would not; that Mr. Forward then got Ed Chase to telegraph Mr. E. W. Scripps in relation to the project; that Mr. Scripps

Form 707 6-15

UNIFORM EXPRESS RECEIPT

Wells Fargo & Company Express

NON-NEGOTIABLE RECEIPT.

Received from

Ed Fletcher

subject to the Classifications and

Tariffs in effect on the date hereof,

Old Env

to be

\$5000.00

value herein stated and warranted by shipper

Dollars.

(See footnote.)

Consigned to

Wm G. Henshaw

at

San Francisco, Cal

Charges

Collect

Which the Company agrees to carry upon the terms and conditions printed on the back hereof, to which the shipper agrees, and as evidence thereof, accepts and signs this receipt.

Mary E. Fletcher
Shipper.

Jed Rogan
For the Company.

NOTE—The Company's charge is based upon the character of the property, of which its value is an element, and its value must be declared in writing by the shipper unless its character is otherwise disclosed. When goods are hidden from view by wrapping, boxing or other means and the Company is not notified of the character thereof, the Shipper's declaration of value may be made by notation, "not exceeding \$50.00" or "not exceeding \$50.00 or 50 cents per pound actual weight."

wired back for Mr. Chase to see Mr. Harper; and that Mr. Chase then came to see Mr. Harper in relation to it.

Mr. Harper said that he felt that the whole thing was just a game to make us trouble and that he refused to be a party to it.

I explained to Mr. Harper that what they were jealous of was that our building of Murray Dam reduced the runoff of the San Diego River by two or three billion gallons of water annually; and that they would not like anything better than to get possession of the West damsite and bring a suit to enjoin and stop us from bringing additional water into the Murray Dam; that our policy is a constructive one. And I also said that in all probability if we would pay Mr. Forward and a few others for their support the project could be killed.

Mr. Harper and Mr. Porterfield are going with me to Murray Dam and Lake Hodges some day this week.

It looks very much as if we were getting the double cross, and the game is for the city to start the construction of a dam, if the property owners will join in; but the lands flooded would include both Scripps and Thum, and I believe that we have them blocked.

We certainly are indebted to Mr. Scripps and Mr. Harper.

Yours very truly -

TERMS AND CONDITIONS.

1. The provisions of the receipt shall inure to the benefit of and be binding upon the consignor, the consignee and all carriers handling this shipment, and shall apply to any re-shipment or return thereof.
 2. The rate charged for carrying said property is dependent upon the actual value of the property which must be specifically stated in writing by the shipper, and applies only upon property of an actual value not exceeding Fifty dollars for any shipment of 100 pounds or less, or not exceeding Fifty cents per pound, actual weight, for any shipment in excess of 100 pounds. If the actual value is greater than Fifty dollars for any shipment in excess of 100 or less, or exceeds Fifty cents per pound, actual weight, for any shipment in excess of 100 pounds, such actual value must be specifically stated in writing by the shipper, and excess charges for such greater value must be paid therefor in accordance with the lawfully published tariffs of the Company.
 3. Unless caused in whole or in part by its own negligence or that of its Agents, the Company shall not be liable for loss, damage or delay, caused by—
 - a. The act or default of the shipper or owner.
 - b. The nature of the property, or defect or inherent vice therein.
 - c. Improper or insufficient packing, securing or addressing.
 - d. The Act of God, public enemies, authority of law, quarantine, riots, strikes, perils of navigation, the hazards or dangers incident to a state of war, or occurrence in Customs warehouse.
 - e. The examination by, or partial delivery to, the consignee of C. O. D. shipments.
 - f. Delivery under instructions of consignor or consignee at stations where there is no agent of the Company after such shipments have been left at such stations.
 4. Packages containing fragile articles or articles consisting wholly or in part of glass must be so marked and be packed so as to insure safe transportation by Express with ordinary care.
 5. If no Express Company has an agency at the point of destination, said property may be carried to the agency nearest or most convenient thereto and the consignee notified.
 6. Claims for loss, damage or delay must be made in writing to the carrier at the point of delivery or at the point of origin within four months and suits must be instituted within two years after delivery, or, in case of failure to deliver after a reasonable time for delivery has elapsed.
 7. If any C. O. D. is not paid within thirty days after notice of non-delivery has been mailed to the shipper, the Company may, at its option, return the property to the consignor and collect the charges for transportation both ways.
 8. The Company shall not be required to make free delivery at points where it maintains no free delivery service nor at any point beyond its established and published delivery limits.
- Special additional provisions as to shipments forwarded from the United States to places in Foreign Countries.**
9. If the destination specified in this receipt is in a foreign country, the property covered hereby shall, as to transit over ocean routes and by their foreign connections to such destination, be subject to all the terms and conditions of the receipts or bills of lading of ocean carriers as accepted by the Company for the shipment, and of foreign carriers participating in the transportation, and as to such transit is accepted for transportation and delivery subject to the acts, ladings, laws, regulations and customs of overseas and foreign carriers, custodians and governments, their employees and agents.
 10. The Company shall not be liable for any loss, damage or delay to said shipments over ocean routes and their foreign connections, the destination of which is in a foreign country, occurring outside the boundaries of the United States which may be occasioned by any such acts, ladings, laws, regulations or customs.
 11. It is hereby agreed that the property destined to such foreign countries, and accessible with foreign, governmental or customs duties, taxes or charges, may be stopped in transit at foreign ports, frontiers or depositories, and there held pending examination, assessments and payments, and such duties and charges, when advanced by the company, shall have become a lien on the property.

William G. Henshaw
Tyler Henshaw
MILLS BUILDING
SAN FRANCISCO

San Francisco, Cal. Dec. 1, 1917.

Mr. Ed. Fletcher,
San Diego, Cal.

Dear Sir:-

Answering yours of the 27th:

I was much interested in what you said in reference to your conversation with Mr. Harper in which he speaks of John Forward, Jr.

I am attaching to this copy of my letter to Stearns in answer to a letter from Stearns, which I also enclose copy for your information.

To say the least it certainly does look queer and we must guard ourselves against any question of the "double cross."

Yours truly,

Wm. G. Henshaw

WGH

See Remarks immediately following this letter and also
to know the other side. It was ready for his signature.

December 3, 1917.

Mr. Wm. G. Henshaw,
C/o Riverside Portland Cement Co.,
Los Angeles, California.

My dear Mr. Henshaw:

I received your letter of the first; also copy of letter to Mr. Stearns, and Mr. Stearns sent me a copy of his letter to you.

I have seen Ed Chase and found out all the particulars both from West and Chase. Scripps killed their last proposition of building on the San Diego River, and I understand within a week or two the City Hall crowd will decide that a district is the only solution of the water problem. Unconsciously Scripps has done us a good service. Our only danger from double crossing will be after the district is formed.

Yours very truly,

F-MK

73

December 10, 1917.

[HEALION, H.C.]
asm

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

Enclosed find note for \$5000 signed by Mr. Mathews and myself, and endorsed by me. Will you kindly endorse same and return, as I have heard nothing from Mr. Murray, and this money must be paid by next Monday to Mr. Healion or we will lose the benefits of our decision.

Yours very truly,

CUYAMACA WATER COMPANY,

Manager.

F-S

December 11, 1917.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

I voluntarily write this letter, for I fully appreciate the heavy burden you are carrying with all your interests in San Diego County, and this is just to let you know that I am no piker, particularly where you are allowing me to share in the profits on the Volcan project, when the sale is made. I know you have bought half my interest in the Cuyamaca system primarily to protect your investment in the Volcan, and to put us both in a position where our interests are identical in the Cuyamaca and the Volcan systems.

Your Cuyamaca investment has not turned out a profitable one to you, as yet, thanks to Mr. Thelen; but I believe it is inevitable that eventually we will make money on the Cuyamaca system.

This letter is written simply to make it a matter of record that you having allowed me to share in the profits of the Volcan project; therefore, when the time comes when a sale is made of your interest in the Cuyamaca, if there is any loss to you in said sale, I am ready to stand my half of any such loss same to be deducted from any moneys coming to me from my share of the profits on the sale of the Volcan project.

Yours very truly,

F-S

December 17, 1917.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

I voluntarily write this letter, for I fully appreciate the heavy burden you are carrying with all your interests in San Diego County, and this is just to let you know that I am no piker, particularly as you are allowing me to share in the profits on the Volcan project, when the sale is made. I know you bought half my interest in the Cuyamaca system primarily to protect your investment in the Volcan, and to put us both in a position where our interests are identical in the Cuyamaca and the Volcan systems.

Your Cuyamaca investment has not turned out a profitable one to you, as yet, thanks to Mr. Thelen; but I believe it is inevitable that eventually we will make money on the Cuyamaca system.

This letter is written simply to make it a matter of record that you having agreed to allow me to share in the profits of the Volcan project; therefore, when the time comes when a sale is made of your interest in the Cuyamaca, if there is any loss to you in said sale, I am ready to stand my half of any such loss same to be deducted from any moneys coming to me from my share of the profits on the sale of the Volcan project.

I would not feel right to accept my share of the profits on the Volcan when the sale of the water and power is made and then see you make a loss on your investment in the Cuyamaca; although the Cuyamaca was an outright sale to you at the time.

Yours very truly,

F-MK

William G. Henshaw
Tyler Henshaw
MILLS BUILDING
SAN FRANCISCO

San Francisco, Cal. Dec. 20, 1917.

Mr. Ed. Fletcher,

San Diego, Cal.

Dear Sir:-

I wish to thank you for yours of Dec. 17th and your attitude as therein expressed is especially pleasing to me.

My feeling towards you in all these matters has been quite the same, and I feel confident with this mutual spirit evidenced in the transactions between us, that neither of us will have any just cause for complaint.

Very cordially,

Wm. G. Henshaw

WGH

Mr. Henshaw personally dictated this letter but had to leave the office before it was ready for his signature.

Two letter from
FAULKNER
Oct 1917
cm

January 3, 1918.

LIST OF PAYEMENTS WHICH WM. G. HENSHAW MUST MAKE TO COMPLETE TITLE
TO CARROLL RESERVOIR LANDS.

NAME	DUE	AMOUNT.
John Dawson	May 10, 1917.	\$4500:00
Eucalyptus Culture Co.	July 15, 1917.	5000:00
C. B. Gould	Apr. 15, 1917	3125:00
do	do 1918	3125:00
do	do 1919	3125:00
Chapman Estate, et al	Aug. 1. 1917	6000:00
do	do 1918	5000:00
do	do 1919	7400:00
M. Barnett	Jul 15, 1917	17500:00
do	do 1919	20000:00
H. G. Fenton	Aug. 1, 1917	4000:00
J. G. Merrill	Jul 15, 1917	3750:00
do	do 1918	5000:00
do	do 1919	5821:50
T. & J. Carroll	Jul 7, 1915	4900:00
do	do 1916	4900:00
do	do 1917	4900:00
do	do 1915	12972:50
do	do 1916	12972:50
do	do 1917	12972:50
Louis Cassou	Jan. 4, 1918	1200:00
F. C. Foster	(We are not advised)	
Antoinette Smith	do	
Bell S. Hawkes	do	
G. F. Staat	do	

Mr. Wm. G. Henshaw,
762 Mills Building,
San Francisco, Cal.

My dear Mr. Henshaw:

Enclosed find copy of letter
to Mr. Clotts, Engineer of the Indian Service of
Los Angeles, in relation to securing consent from
the Government to build Warners Dam so far as same
effects the Pincon and Pala Indian reservations.

I have gone into this matter thoroughly with
Mr. Wheeler and if the Los Angeles office does not
come across I am sure Wheeler can fix it for us,
but I would rather not incur the enmity of the Los
Angeles office if I can get them behind us.

Yours very truly,

encl
F-K

January 9, 1918.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

The attached copy of letter to Mr. Murray is explanatory and for your information. It is coming in packages, it seems. I have wired Murray today. Enclosed find copy of telegram. No answer as yet.

I can see where they will commence condemning El Capitan dam site in the near future. I am satisfied this thing is going to come out in the long run all right; but it certainly looks like stormy weather ahead and we can give them litigation for the next five or ten years that will force them into something different before El Capitan is ever built.

I am the logical man to go to Washington to fight this thing through to a finish, but I sure hate to go at the present time.

For goodness' sake, let me have your advice. I am sure up in the air.

Yours very truly,

F-S

William G. Henshaw
Mills Building
San Francisco

January 24, 1918.

Mr. Ed Fletcher,
c/o W. B. Wheeler,
Army & Navy Club,
Washington, D. C.

Dear Ed:-

I enclose a copy of a Night Wire that I will send you tomorrow so as to reach you upon your arrival. This Night Letter really covers the whole matter. There will be no harm, however, of your feeling out the situation and learning how they would feel about taking any of the Irrigation Bonds or any other matter that might suggest itself to your fertile brain.

The Judge will arrange with Mr. Watriss as to our personal matters, the time of payments, etc., etc. I don't know where the Judge will stay in New York, but you will probably be informed of his address in case you should wish to communicate with him.

Yours very truly,

Wm G Henshaw
Mr. Henshaw personally dictated this letter but had to leave the office before it was ready to be signed.

WGH
ENCL.

The New Willard Hotel,

Washington, D.C.

January 28, 1918.

Mr. William G. Henshaw,

Mills Building,

San Francisco. California.

My dear Henshaw,

Your telegram received. In regard to seeing Mr. Watruss, enclosed find copy of letter I have written to him. I do not know how long a stay I shall have to make in Washington, and I do not desire to make the trip to New York unless Mr. Watruss really wants to see me. In fact, I thought a concrete presentation of the facts, by letter, might serve fully as well, something he could show Mr. Whitney, and then if they desire me to go, I will be pleased to do so.

I hope this meets with your approval, and on receipt of this, kindly, if you will, write Mr. Watruss a letter.

What I want is this, to cut up that Lockwood Mesa into 20 to 100 acre tracts and sell them; I know I can do it, and a lot of the farming land will sell at a good profit. Do not insist upon selling the whole thing to a syndicate, but give me a chance to subdivide this land. It is the poorest piece, from an agricultural standpoint, that we have, but I still believe, that under anything like normal conditions I can sell that property to your satisfaction and Mr. Whitney's as well.

I have had one seance with the Public Lands Committee of the House. It is amazing the interest taken in this fight,

Form 1206

Receiver's No.

Check

Time Filed

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE DESIRED	
Fast Day Message	
Day Letter	
Night Message	
Night Letter	X

Patrons should mark an X opposite the class of service desired; OTHERWISE THE TELEGRAM WILL BE TRANSMITTED AS A FAST DAY MESSAGE.

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

San Francisco, Calif., Jan. 24, 1918.

Mr. Ed Fletcher,
c/o W. B. Wheeler,
Army & Navy Club,
Washington, D. C.

Suggest that before the fourth of next month on which date the Judge expects to arrive in New York that you make telegraphic appointment with Watriss, and merely say that you have come to report upon the general conditions including the water development as the same will effect the syndicate lands explaining the large amount of money that I am putting out that will increase the values of the syndicate lands. You might say that the Judge will see him very soon and discuss all other matters that you merely valied to take advantage of your presence in the East to make personal report of everything. You can see this will clear atmosphere for the Judges conversation.

Wm. G. Henshaw.

Chge. Wm. G. Henshaw.

Mr. Henshaw,

page 2.

there were seventeen out of nineteen members of the Committee present. Mr. W. R. Wheeler was present, and said that I made as fine a presentation as could be made.

Only results count, however, and I am up against the real thing, and fighting a municipality is a hard go. Cosgrove made a wonderful presentation, and my heart was in my mouth when he finished, but I got started, gained confidence, and was on the floor for two hours solid, with all kinds of questions being asked me. I am not ready to predict yet what is going to happen. We have another hearing tomorrow. Jim Murray saved the day when he sent me a telegram in care of Secretary Lane saying that the Cuyamaca Water Company would build a dam at the diverting dam, and have it completed within twelve months, while the City is asking eighty years to build it - this is the time they ask for in their bill before Congress. I made it eighteen months, however.

Will write you again when it is all over.

Yours-sincerely,

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION TELEGRAM

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

RECEIVED AT WYATT BUILDING, COR. 14th AND F STS., WASHINGTON, D. C. 1918 JAN 30 PM 11 40
B542CH 57 NL

SAN FRANCISCO CAL 30

50

ED FLETCHER

NEW WILLARD HOTEL WASHINGTON DC

CONGRATULATIONS WHEN WILL YOU GET BACK AM ANXIOUS FOR YOU TO BE
HERE IF POSSIBLE THE MIDDLE OR LATTER PART OF NEXT WEEK IN
ORDER TO TAKE REPRESENTATIVES OF BOND HOUSE OVER THE CARDIFF
DISTRICT ALSO OVER WARNERS RANCH THEY GIVE GREAT ENCOURAGEMENT
ON THE QUESTION OF HANDLING BONDS LEAVING TOMORROW
THURSDAY EVENING FOR LOSANGELES ANSWER QUICK

WM G HENSHAW.

The New Willard Hotel,

Washington, D.C.

January 31, 1918.

My dear Mr. Henshaw,

Enclosed find copy of my letter to Mr. Murray which I am sure will be of interest.

Your letter of the 24th received yesterday; I have had no reply to my letter from Mr. Watriss. We are having the worst blizzard here that the city has seen for 15 or 20 years. The weather has been bad all through the eastern section of the country and very few trains are running. When in New York I took up the matter of Mr. Whitney buying bonds as per outline in your Night Letter of January 24, and Mr. Watriss was very positive in his statement at that time that in his (Mr. Whitney's) opinion Mr. Watriss would buy any good bond and that Mr. Whitney would take his full share.

I am so full of this El Capitan fight I don't know where to stop, so I won't commence, but you will be the victim sometime when I get home. I certainly have had my revenge on Cosgrove and beat him out to a finish at his own game.

As you say, time will tell, and results count.

Am working on your Warners Riparian Right agreement and have a conference on for two o'clock today with the Commissioner of Indian Affairs. Everything is 'war' here, and if I can get away with this thing I will be a lucky dog, but I'll use my best efforts, and, as you know, go the limit.

With kind regards,

Very sincerely yours,

The New Willard Hotel,

Washington, D. C.

February 4, 1918.

W. G. Henshaw Esq.,

Mills Building,

San Francisco. California.

My dear Henshaw,

I am too full for words. Enclosed find copy of letter to Murray. I am dealing with a man who will stop at nothing to succeed. I have him tied up for weeks, if not for months in the House.

Have had a nice talk again with Mr. Hodges, and he is ready to go the limit to help us on the Warners project.

I received word from the State Engineer on Saturday (Feb. 2) which is very favorable on the Warners project. Huber went down with the Bonding Commission's representative and did good work. It sure looks as if the smaller district should go through with the larger Warner district, and there is enough land there to take all the water. It won't take but about half the money to develop it the way we are planning. I will have a complete preliminary report on the whole situation for you when I get back, showing the cost of alignment, etc.

I have talked with Mr. Hodges about taking power for the Santa Fe, as Hodges told me they are going to electrify the Santa Fe as quickly as they can and as much of it as they can; they are behind some big development on the Colorado. Hodges told me before tying up for the sale of power to be sure and take it up with them and he stated that perhaps they would be more interested in helping to finance Warners if they could get the power. He said that with

what power they got from Los Angeles and with what power they got from you it would operate their line from Los Angeles to San Diego. You know the P. E. now have an application before the Commission to extend their line down towards San Diego, 28 miles, I believe to San Juan. If the Santa Fe should electrify the Commission would never allow the P. E. to compete with them. I called his attention to this. He wants me to take the situation up with you but not to submit it to him until we are in a definite position to talk business.

Have had a nice letter from Mr. Watriss in which he says any plan you make which will result in the sale of any of the land will be quickly endorsed, so as soon as I get home I will frame up a proposition for the sale of the lots between Del Mar and Cardiff and submit same to you for your approval.

Will wire you when I leave here.

Yours sincerely,

Feb. 27, 1918.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

Nothing ever made me so happy as to go to Lemon Grove and La Mesa, the hotbed of the Cuyamaca consumers, where I supposed they were hostile to me. I called a mass meeting at each place; had big crowds - and think of it! They unanimously stood behind me! Not a dissenting voice and at both mass meetings they telegraphed the Senate and House Committee backing up the Cuyamaca Water Company's position.

The City Council of San Diego was so vicious that they came out there - all of them - to the meeting, including the deputy City Attorney, who put up a strong talk; also the City Manager. But I fought them one by one, and had a chance to come back at each one after they had made their speeches. It was the most intense and exciting experience that I have ever been through in my life. It lasted until eleven o'clock, and when Councilman Moore made a very insulting statement and ended up by saying that Ed Fletcher was working for Ed alone a number of the farmers rose up and gave him hallelujah, and I turned it off in a nice way without dealing in personalities with any of them by saying that I thanked all the Councilmen for coming there; that I felt honored, but as far as Moore was concerned I did not care to have any discussion, for it was Moore who voted to pay Hatfield \$10,000 to fill Moreno Dam and no explanations did I feel were necessary. It brought down the house, and I was the happiest man on earth to know that the entire bunch of consumers of the Cuyamaca Water Co. are behind us to a unit.

Enclosed find clipping from the Sun, which is explanatory, showing the resolution that was passed.

Mass meetings will be held at Bostonia, El Cajon and one or two other places, in the very near future. My game is first, to show that it is a fight municipality against municipality, not a corporation; second, that the City Council are not backing up the statements made by Mr. Cosgrove before the Public Lands Committee, and if I can create a doubt in their minds as to the integrity of the City Attorney, there will be nothing doing this session of Congress.

Yours very truly,

F-8

March 1, 1918.

Mr. Wm. G. Henshaw,
762 Mills Building,
San Francisco, Cal.

My dear Mr. Henshaw:-

Answering your letter of February 25, will say that the district expense is the preliminary expense of our engineer in conjunction with the Vista-Oceanside water committee in the formation of the proposed Warners district, taking in the larger district that we have discussed, and which the State Engineer has approved. All this preliminary work had to be done to get the thing started and to get Mr. McClure's approval. There is going to be considerable expense from now on, whipping everything into shape as well.

As far as the Warners Hot Springs' payroll is concerned, you have over 700 acres of wheat and oats already in with no further expense until harvesting time. You spent \$288.60 on the development of the water project from Eagles Nest to Warner Hot Springs. This work has been stopped until spring owing to the heavy frost and snow; but it will only take 2 or \$500 more to complete the work of the Eagles Nest dam next spring. Included in this account was \$140.00 for fencing the land we are farming; \$328.40 was on account of ploughing and seeding, and groceries which had to be furnished while the men were in the field.

The heavy work on the ranch was completed about the 15th of February, and confirming our verbal arrangement I have cut down the expense on Warners ranch for the month of March. On the 15th of February I brought Mr. Ream down with the caterpillar, and he is clearing the brush from 150 to 200 acres for the Syndicate Land Company. You will be able to make some money on this by charging a reasonable price to the Syndicate account for clearing, and I believe that you will admit we are making a remarkable showing.

I want you to come to San Diego in about four weeks, when we will have something to show for our money. I am making arrangements to put the entire tract into beans this season.

Yours very truly,

EF-MK

(Copy for Mr. Fletcher's files)

March 12, 1918.

Mr. Wm. G. Henshaw,
762 Mills Building,
San Francisco, California.

My dear Mr. Henshaw:

Will you kindly write me a letter that I can send on to Washington stating that owing to the fact that my having made the negotiations in the matter of acquiring the consent of the U.S. Government to build Warner's Dam so far as same is effected by the Rincon and Pala Indian Reservations, that you prefer me to go ahead and make the contract in my own name and get the matter settled at the earliest possible date. A letter along these lines I would follow to Washington.

I am in Los Angeles today checking up conditions with the Indian Service so that several slight changes to our advantage may be made, but the contract as written in Washington I believe fully protects your interests. We were very fortunate in eliminating the Escondido people, for I am sure we can develop any amount of water we want on the Reservations, at slight cost, and will never be compelled to take any water out of Warner's Dam as under the conditions imposed by the Government.

Yours truly,

EF/NEM

(Copy for Mr. Fletcher's files)

March 12, 1918.

Mr. Wm. G. Henshaw,
762 Mills Building,
San Francisco, California.

My dear Mr. Henshaw:

I received a telegram today from Washington from Mr. Wheeler that there was nothing could stop the committee reporting out the city of San Diego bill favorably, that Cosgrove was every day urging it, and that it was only a matter of a few days at the most. The only way we can beat it then is by filibustering on the floor of the House and Senate, and this will be done, which will probably delay the passage of the bill until summer, but it will in all probability finally pass. I have had included six or seven amendments which pulled the teeth out of it, but it is a menace nevertheless, and a club over our heads. I recommend the following:

That a dam 120 x 30' high, costing around \$500,000 be built at the diverting dam. It will control practically all the waters of the river. For the past two weeks Mr. Eastwood, with our engineers, has been making complete surveys, and there is not much choice in sites. Everything is favorable for a concrete dam. We can build one exactly on top of our diverting dam, or go three or four hundred feet below.

Eastwood is positive the plans will be approved by the State Railway Commission, and your brother has positively said that we have the right to go ahead and build the dam. I don't think the city will ever attempt to stop us, if they want to, as the back country is unanimous for it, and over half the people in the city of San Diego, and Congrove has testified that the city will not protest.

The building of this dam is absolutely a vital factor in our whole program. If you can see your way clear to do it, I wish that you would write me a letter by return mail that you will, at the market price, furnish the cement, which will about offset your interest and mine if Murray puts up the cash for the rest. Mr. Murray gets there in a few days and it is highly important that I have a letter along these lines from you encouraging the construction of the dam. This dam will double our present



RIVERSIDE PORTLAND CEMENT CO.

640 TITLE INSURANCE BLDG.
LOS ANGELES, CAL.

Mr. Henshaw #2.

water supply, and double the value of our property.

The riparian owners down below are not going to make a serious fight against us if not egged on by the city, and they cannot show damage, in my opinion, at least to any great extent. Even Henry Timkin told me yesterday they would be glad to see the dam built, and he owns more riparian rights than any one else.

I am not afraid now to go before the State Water Commission, let Huber present our case to Chandler, and get the State Commission behind us as to the water at our point of intake.

I do hope you will write me the above letter - something that will encourage Murray to sign up and commence construction. I got \$5000 from Murray today, which cleans up all the bills on Murray Dam excepting Sharp & Fellows. This is a separate fund and it will be impossible for me to divert it for operating expenses, in fact, it is all gone now and all bills paid excepting the Sharp & Fellows bill. The Dam has not as yet been accepted, but it is certainly a marvel and I am anxious for you to see it.

When will you be down? It would be a good thing for you and Murray to be in San Diego together.

Yours truly,

EF/NEM

September 5, 1918.

War Finance Corporation,
Washington, D. C.

Gentlemen:

This is to certify that Colonel Ed. Fletcher of San Diego is my representative in the matter of the Cuyamaca Water Company, and is authorized to act in my name and behalf in any matters before your Board, and I hereby further confirm any action that Mr. Fletcher may take in these matters.

Very truly yours,

WGH/NEM

September 14th. 1918

F-15-9.

Mr. W. G. Henshaw
Mills Bldg.
San Francisco.

Dear Mr. Henshaw;

The estimated costs of the Warner-Rodriguez+
Merriam system and of the Warner-Namo+San Clemente system are
respectively \$ 2,328,000 and \$ 2,936,000. These figures do
not include anything for water rights, reservoir lands at Warner,
or cost of hydro-electric plants.

The San Clemente system affords opportunity for sale of
domestic water for the City of San Diego and twenty per cent
more power as a consideration against the greater cost.

I have sent my figures on the power right valuation to
Col. Fletcher so that we can be together before laying before
you.

Yours very truly,

c.c. E.F.

*S.Y. Day
Water District*

Los Angeles Sept. 14. 1918.

Estimate of prospective net revenue from Power, Warner-Rodriguez-
Merriam project, for use in valuation of power rights. Primary
storage installation at Warner 164,000 Ac. Ft.

Controlling items and authority

Drop at Rodriguez 924ft.) Ellis survey
" " Merriam 473ft.)

Average flow with 164,000 A.F. storage 33 1/2 s.f. Safe Yield Board
& Hawgood

" current at switchboard, with 75% overall
efficiency.

Rodriguez 2,000 K.W.

Merriam 1,000 "

Total 3,000 K.W. = 26,280,000 K.W.hrs. yearly.

Sales rate per K.W.hr. ct. 0.55

Baum 1917.

Operating wages \$10,100 p. year, each power house.

Baum & Hawgood
1917 plus 1/3rd
for 1918 prices.

Operating revenue 26,280,000 K.W.hrs. @ 0.55

\$ 144,540

Operating expenses

Power house wages

\$ 20,200

Repairs & miscel.

6,000

Depreciation 6 1/2%

29,220

General exps. Taxes etc

10,000

65,440

Net revenue

\$ 79,100

Cost of Plants.

Rodriguez \$ 258,680

Merriam 132,425

391,105

15% 58,865

\$ 449,770

Faude

\$ 79,100 is 17.6 % on \$ 449,770 the estimated cost of the
two plants.

*The use of the above being so to speak for the purchaser the
figures are conservatively "bearish"*

S.Y. Day District

Sept. 17, 1918.

Mr. William G. Henshaw,
Hills Bldg.,
San Francisco, California.

My dear Mr. Henshaw:

I have had a conference with Mr. Huber, this morning and have drawn him out as much as I can, on the question of valuations, consistent with his position.

I am satisfied ^{that} he will accept Mr. Hogwood's height of dam, without materially penalizing us on net safe yield. I am under the impression that we will get a valuation of about a million and a half for water rights, alone, from Warners dam with a clause in the report that this value is based on using the water for agricultural purposes, but that if the water was to be used for municipal purposes, he would place a considerably higher value.

I am under the impression that he will give a valuation of about \$150.00, per acre, for the five or six thousand acres of land, to be flooded, while he would only give a valuation of \$75.00 to \$85.00, an acre for floodage rights. My suggestion is that we deed all the land outright and not make any reservations for floodage rights for if the floodage right lands cost us \$75.00 an acre and we had to pay taxes and so on years we would not have the use of the lands, it would make the lands come pretty high. Therefore my recommendation is that we deed the land outright, keeping some lands just outside the reservation site as we have planned. We will then be in an advantageous position to lease the lands from the new owners at a reasonable or nominal rental from the district, in case we should sell to the district.

I think that I have convinced Mr. Huber that an equitable adjustment in the matter of reservation of power would be the following arrangement: that the expense of building the forebay, the steel penstock, the power house complete and machinery, together with the operation and maintaining, should be born and maintained by the party reserving or owning the power.

Enclosed find copy of letter I have written Mr. Hogwood on the subject and I hope meets with your approval.

If we can get the above valuation and the reservation of the power simply for the cost of building the forebay, penstock, power house, etc., it means that we would get a valuation of around two and one half millions just for the Warners project, alone, as well as the income from the power leaving the Southern and Pamo, extra ~~valued~~, in the benefit of any value of the additional statement ^{also} that the water rights would be valued higher if for a municipal purpose.

Sept. 17, 1918.

Mr. William G. Henshaw,

#2

If this report is along the lines that I anticipate, we will be fortunate. Of course, in making out the report, the estimate of cost of all, for the construction will be added.

Mr. Huber leaves here Thursday, ^{for home} to make his final report on the San Luis Rey project.

On receipt of this letter please wire me any suggestions that you have to make so that I can take them up with Mr. Huber before he leaves.

Yours truly,

F-F

RE: PAMO DAM.

Sept 1918 - JAN 1920

Sept. 20, 1918.

H-2-2 Pamo, S.C. Proj.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

Mr. Hawgood has made an estimate of \$1,603,565 for the construction of a diverting dam at Pamo; a pipeline to San Clemente; and the construction of San Clemente Dam, the pipeline to have a capacity of 11,000,000 gallons daily, the pipeline to be continued stave redwood pipe and later on, when conditions warrant it, another pipeline can be put in.

I think this an ideal plan, for it means quick construction. The redwood pipe would always be kept full of water, and the present wooden pipeline that the city put in over twenty years ago is still in good condition, while the redwood pipeline from Murray Dam has been in thirty-odd years and is still in good condition.

We can get a contract from the city for five million gallons of water daily, now, and I am sure they will take ten million gallons a day within the next two or three years. They simply must have it.

We would have no trouble with riparian owners, because we would only take the flood waters every winter and fill San Clemente Dam when the water is running to the ocean. I am sure an arrangement can be made with them, and in any event we can get the government behind us financially.

The estimate made includes roads, culverts, telephone

lines, but does not include cost of lands for reservoirs. This, of course, we have now, excepting rights of way, and I don't believe we would have any trouble at all.

The question is: Is it not advisable for me to see what sort of financing we can get from the Government? You don't have to decide the question of whether you want to go into it or not until I find out in Washington what can be done.

Yours very truly,

F-S

September 21, 1918.

Mr. H. Hawgood,
H. W. Hellman Bldg.,
Los Angeles, Calif.

My dear Mr. Hawgood:

Thanks for your letter of the 19th.

It is the information that I wanted, and I have written to Mr. Henshaw on the subject.

I desire, however, that you give me a separate letter covering the proposed diverting dam at Pamo, the pipeline, and San Clemente, showing how high you will build San Clemente, what its capacity is, the size of the pipeline from Pamo to San Clemente, the length of it, what kind of pipe you use, what the pressure is, and what kind of diverting dam you are going to build. Is it not a fact that we could divert enough flood waters each winter to fill San Clemente?

Very truly yours,

F-S

William G. Henshaw
Tyler Henshaw
MILLS BUILDING
SAN FRANCISCO

San Francisco, Cal. Feb. 6, 1919.

Mr. Ed. Fletcher,
San Diego, Cal.

Dear Mr. Fletcher:-

I have now started in to prepare the returns for the State Franchise Tax and shall be glad if you will advise me whether the principal place of business of the Volcan Land & Water Company is 50 D Street as in the first instance, or whether it has been legally changed to 920- 8th St.

Yours truly,

Wm. Lees

WL

FEB 8 - 1919

San Diego, Calif.
Feb. 11, 1919

Mr. Wm. Lees,
c/o Wm. G. Henshaw,
Mills Bldg.,
San Francisco, Calif.

Dear Mr. McLees:

Answering your letter of the 6th: The principal place of business of the Volcan Land & Water Company is now 920 8th Street, San Diego.

Yours very truly,

bm

June 13, 1919.

Mr. Wm. G. Henshaw,
762 Mills Building,
San Francisco, Cal.

My dear Mr. Henshaw:-

I wanted to test out Mr. Spreckels' sincerity in the matter of his offering assistance to help put through the irrigation district. I have had lots of fun over it, but Mr. Spreckels is coming through, I guess, without any doubt.

Below the Pamo dam site about a quarter of a mile there are 40 acres of land owned by the Spreckels people. The Pamo River runs through the center of it. So the other day I made out one of those printed agreements giving us the right to build the dam and divert the water, such as we have secured in so many other instances, and mailed it to him for his signature, asking him to tell us what it would cost to acquire the riparian rights of diversion.

I met Mr. Clayton on the street and he tells me that Mr. Spreckels has instructed him to do the right thing. He also asked me to take out their representatives to review the ground; so I took them out yesterday and showed the property, and I know that Spreckels' representatives are going to make a very favorable report to us and, in my opinion, we will get the riparian rights of diversion or buy the land at a very reasonable figure.

I will get a report either today or tomorrow and will let you know if they take a friendly attitude and give it to us for practically nothing. I think it is a very good site.

Yours very truly

EF-mk

San Diego, California.
June 18th, 1919

Mr. Wm. G. Henshaw,
C/o Riverside Portland Cement Co.,
Los Angeles, California.

My dear Mr. Henshaw:

I am pleased to inform you that I will get the Spreckels 40 acres of land below the Pamo dam sight at less than \$250., from every indication.

The fact of the matter is, Mr. Henshaw, the dam will never be built at Pamo, but will be built on the Spreckels property. And I am just tickling myself and patting myself on the back with great glee, and I know you will be pleased when the deal is closed. I have the Spreckels commitment in writing.

EF/bm

Yours very truly,

Pamo Dam

San Diego, California
August 5th, 1919
(Dict. Aug 3rd)

Mr. Wm. G. Henshaw,
Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

For the measly sum of \$150. we have bought forty acres from John D. Spreckels, and the deed has been put on record, thank the Lord. The truth is, this forty acres controlled absolutely the lower dam site on which the Pamo Dam would be built.

Yours very truly,

EF/dm

30 January 1920

Mr. Wm. G. Henshaw,
Mills Building,
San Francisco.

My dear Mr. Henshaw:

I have a copy of Mr. Hodges letter of January 27th to you.

Pamo cannot be built, and all the water conserved without you acquiring the riparian rights between Pamo and Lake Hodges. When you, or your successors, acquire all those rights below, either by purchase of the lands, or by gaining the consent of the riparian owner to build Pamo dam for a consideration, then Pamo can be built, and not before, and until it is built, of course, there is a large surplus of water.

Mr. Huber has largely over-estimated the quantity of water needed to supply the lands of San Pasqual Valley. There are only about 1200 acres of land altogether that can be irrigated in the whole valley, according to the information at hand, and on a basis of two acre feet per annum, if it were all under cultivation, the needs would only be approximately 2400 acre feet, instead of 6,000 acre feet. In error Mr. Hodges mentions 6000 gallons.

On Page 154 of the U. S. Geologic Survey, Report of Water Supply, Paper No. 446, just issued by the Government, you will find the following in reference to San Pasqual Valley: That there is a total of 1880 acres, and of that 1880 acres there are only 1520 acres affected area of the valley; That the total amount of water available in the sands of the San Pasqual Valley, assuming that the average depth of the water table is 40 feet, is 4400 acre feet to surcharge the entire valley, as against 6,000 acre feet mentioned by Mr. Huber and Mr. Lippincott, and both Huber and Lippincott are assuming that the water must be let out of the dam and run for eight or ten miles down the river channel, with a 40 or 50% loss in transit, before it reaches the San Pasqual Valley, while, as a matter of fact, common sense and business judgment would dictate, that if you did not purchase the balance of the riparian rights in the San Pasqual Valley you would

make this compromise, and that is - to furnish to the riparian owner in San Pasqual Valley direct from your conduit built from Pamo, that is to furnish water to the riparian owner out of the flume or pipe for the reason that the pipe line, owing to physical conditions must go right down the San Pasqual valley, and is easily accessible to all riparian owners below. Therefore, if worse comes to worse, in order to deliver each year the total amount of water which those San Pasqual gravels can hold, you would only have to deliver 2200 acre feet, right out of the conduit, for you will be saving 40 or 50% on the transportation and evaporation losses. Then deducting from that the riparian rights which you have already acquired, the Bernardo, the Roberts, Rice and the Ward places, consisting of something like four or five miles of riparian rights, would cut the 2200 acre feet almost in two, leaving not to exceed 1,000 or 1,500 acre feet as the maximum to be delivered to pay all penalties.

W. L. Huber's report (the original report) of the Cardiff Irrigation District, made no mention of any penalties, or diversion of water from Pamo, and I was not aware that Mr. Huber penalized the Pamo dam in any way until this question has been brought up by Mr. Lippincott. I had a personal talk with Mr. Huber in San Francisco on this question the last time I was there, and I did not gather from his talk that there was any serious question involved whatever. I suggest that you have a talk with Mr. Huber, show him the letter from Mr. Hodges, and get the facts from him, and if possible, in writing, before having any conference with Mr. Lippincott and Mr. Hodges.

A copy of this letter has been sent to Mr. Hodges.

Yours very truly,

EF:KLM

cc-Hodges-

Pamo

Santa Barbara, California

Jan. 27, 1920.

Mr. Wm. G. Henshaw,

Mills Bldg.,

San Francisco, California.

Dear Mr. Henshaw:-

Mr. J. B. Lippincott called on me Sunday and we had a very interesting, and to me, instructive, talk in regard to our San Dieguito proposition. Mr. Lippincott, as you know, has been retained by the Directors of the Cardiff Irrigation District to advise with them and make a report on the San Dieguito Mutual Water Company's System. I find that Mr. Lippincott has had considerable correspondence since his engagement with Mr. Huber and the particular thing which is bothering Mr. Lippincott at this time, is the question of Pamo.

In conversation with Mr. Lippincott, I am satisfied that generally he believes in the scheme.

I have before me a letter written by Mr. Huber to Mr. Lippincott, from which I quote the following:-

"I have your letter of December 17th and am glad to have your statement therein expressed, concerning water rights on San Dieguito River. It is true that if all of the water from that part of the watershed above Pamo Dam Site is conserved the supply for Hodges Reservoir will at times be pinched. I believe Mr. Henshaw, or the Volcan Water Company, has reserved the right to do this if he or it so chooses, but, from the physical standpoint, I do not consider this possible. I attach but little value to the Pamo site. While it might be physically possible to build a large dam at this site - almost nothing is impossible to modern engineering where funds are unlimited - yet such construction would, from the standpoint of economics, be sheer madness. When I made my report to the State Engineer to determine whether the project should be approved, this situation confronted us - a legal reservation existed, but one which, when considering physical and economical conditions, we did not believe possible of consummation. The subject was discussed at some length with Mr. McClure,

1) Mr. Henshaw

State Engineer, before proceeding and finally it was decided to take into account physical conditions - my report which makes a certain allowance for conservation and use in this upper watershed and utilization of the remainder, is the result. We felt that if every possible claim including those economically impracticable, had been given full consideration, there would today be very little development of Southern California streams."

Frankly, this is very much of a surprise to me. I have always understood that with our 196,000 square miles of watersheds, there was adequate protection to us regardless of the possibility of the building of the dam at Pamo, but apparently Mr. Huber, as well as Mr. Lippincott, does not believe this.

It is my understanding that both Mr. Lippincott and Mr. Huber agree on practically the same amount of loss in the San Pasquale Valley evaporation and diversion by irrigation, namely, 6,000 gallons.- Taking Mr. Huber's own figures, Mr. Lippincott argues that if Pamo was to be built, we have not water enough to adequately serve the acreage proposed in the district.

In further conversation with Mr. Lippincott he stated that he had not examined the conditions at Pamo to say whether Mr. Huber's statements as to impossibility of construction were correct. (Of course Mr. Huber means that the cost would not be warranted.)

Mr. Lippincott did make the statement to me, however, that in his opinion, (he does not claim to be a lawyer) Pamo could not be built without either agreeing to allow 6,000 gallons to pass over or through the Pamo Dam, or that you would have to purchase the whole of the San Pasquale Valley.

3) Mr. Henshaw

Of course, I am not competent to pass on any of these questions, but I consider that the matter is of sufficient importance, that you and I with Col. Fletcher, should arrange to meet Mr. Lippincott the next time you are in Los Angeles and figure this thing out to a conclusion.

Yours very truly,

C O P Y

to

Mr. Ed Fletcher

CC to Ed, F
Ed. Fletcher
JB Lipp my copy

Sept. 13, 1918.

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, Calif.
(Copy to Los Angeles)
My dear Mr. Henshaw:

Confirming our telephone
conversation, the El Capitan bill is H.R. No.
10587, and we desire it referred, if possible,
to a Committee on Indian Affairs.

Yours very truly,

F-S

J. C. R.

San Diego, Calif.
November 23, 1918

Mr. Wm. G. Henshaw,
Mills Bldg.,
San Francisco, Calif.

My dear Mr. Henshaw:

Enclosed herewith find copy of letter received
from Homer Hamlin of the Department of the Interior,
together with copy of my letter in reply. All the
other facts that he asked for in his letter of Nov.
11th are included in Mr. Huber's report.

Yours very truly,

EF/bm
encl 2

December 9, 1918.

Mr. W. G. Henshaw;
Mills Bldg.,
San Francisco, California.

My dear Mr. Henshaw:

Under separate cover I am sending you a map showing lands purchased in Lake Hodges reservoir also floodage rights as well as map of riparian rights, Lake Hodges dam to the ocean.

My understanding is that the San Dieguito Mutual Water Company ^{Contract} is entirely distinct from the Volcan agreement. In the matter of my compensation for services rendered and to be rendered, that when the San Dieguito Mutual Water Company is sold to the District, a final settlement will be made between you and me in this matter on the following basis:

First from any dividend or payment in bonds that you receive from the San Dieguito Mutual Water Company ~~for your interest in said Company~~ you will be paid back first your three hundred and fifty thousand dollars, (\$350,000.00) the amount agreed upon by the Santa Fe Land Improvement Company and yourself ~~also~~ between you and myself, covering the lands, water rights, riparian rights etc., as agreed upon in the Santa Fe Land Improvement Company contract with yourself.

of the Santa Fe Land Improvement Co as the agreed price of

San Dieguito Mutual Water Co you transferred to the

After this payment is made I am to be paid either in cash or bonds, whichever ever you received, one half of any and all amounts you receive from the San Dieguito Mutual Water Company.

In consideration of the above I have agreed with you that I will pay you one half of any commission that I receive from the San Dieguito Mutual Water Company or from the South Coast Land Company in the sale of the San Dieguito Mutual Water Company to the irrigation district, also the sale of the Oceanside Mutual Water Company to the Cardiff Irrigation District.

Second, as regards my compensation ^{when} the Volcan system is sold. My understanding of the agreement is that as a basis of determining my compensation, when sold one million five hundred thousand dollars, the cost of the lands, water rights, etc., as per your offer on ^(?) date and exhibit or schedule, which accompanied that offer to the City, is a legal description of the properties which you furnished free and clear of encumbrance and for which you were to be repaid from the proceeds of the sale of said system, one million five hundred thousand and interest plus any additional expenses, my profit being one half any profit you might make over and above the

~~amount~~

amount coming to you first.

I think it is only fair that the Volcan account should be credited with three hundred and fifty thousand dollars being the sale price as agreed upon by the Santa Fe Land Improvement Company and yourself and that all expenditures paid out by you in the acquisition of these lands, expenditures etc., in order to fulfill your contract with the Santa Fe Land Improvement Company by charging to the Volcan Company. In that case we should acquire lands outside of your contract with the Santa Fe Land Improvement Company, to illustrate, the Jim Carroll contract. In order to live up to your contract with the Santa Fe Land Improvement Company you had to buy 737 acres from James B. Carroll while you only had to deed the lands within the reservoir site, 262½ acres on said Carroll Ranch, to the San Dieguito Mutual Water Company, leaving several hundred acres outside the reservoir site on your hands. This also applies to the Tom Carroll, the Gould or Nulton property, Barnet, Eucalyptus Culture Company, Chapman, Smith and the Bernardo Rancho, bought from Mrs. Hill. It also applies to riparian lands which we were compelled to purchase known as the Hawks, Irwin, Cassu and Government lands.

In my talk with you ^{here} yesterday I appreciated your point of view that you do not want to have a lot of odds and ends on your hands such as the balance of these lands which did not go into the San Dieguito Mutual Water Company contract. I feel that you are right in the matter and that I am perfectly willing to retain one half interest with you in these properties above mentioned.

When the Volcan system is sold and it is shown that there is a profit in the sale of same but if there is a profit to be compelled to take all of my profit in lands and get no cash and feel the same as you, that if there are any profits the cash should be prorated. do not want

December 9, 1918.

Mr. Wm. G. Henshaw,
640 Title Insurance Bldg.,
Los Angeles, California.

My dear Mr. Henshaw:

I received a clipping from Sacramento in relation to the San Luis Rey Irrigation District, which states as follows:

"State Engineer W. F. McClure is just completing a study of a proposed irrigation district at San Luis Rey, San Diego county. "A good project, physically, but expensive," he said yesterday. Unless a power proposition can be taken up in connection with it he fears the cost will be greater than the land will stand. Expensive work in carrying water 30 miles through a mountain district is the chief handicap. An area of 35,000 acres would be placed under ditch. A dam in Warner's valley would conserve storm water."


We may be asked to throw in the power and I take it for granted, if we have to, you will do this. The State Engineer and myself will have a conference with the committee next Thursday or Friday. If it comes to a point where it is an absolute necessity can I not tell them that I will recommend to you that the power be thrown in.

Yours very truly,

F-K

Form 1201

CLASS OF SERVICE	SYMBOL	CLASS OF SERVICE	SYMBOL
Telegram		Telegram	
Day Letter	Blue	Day Letter	Blue
Night Message	NMs	Night Message	NMs
Night Letter	NL	Night Letter	NL

WESTERN UNION

TELEGRAM

NEWCOMB CARLTON, PRESIDENT GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

RECEIVED AT
B35GS Q 26 BLUE

SAN FRANCISCO CALIF 2P DEC 18 1918

ED FLETCHER 414

SANDIEGO CALIF

CONGRATULATIONS ON THE RESULT OF THE VOTE IT CERTAINLY SHOWS
GOOD WORK ON YOUR PART HODGES IS DELIGHTED AND IS BUYING HIMSELF
ON THE BOND END

WM G HENSHAW
241P

If none of these three symbols appears after the check (number of words) this is a telegram. Otherwise its character is indicated by the symbol appearing after the check.

If none of these three symbols appears after the check (number of words) this is a telegram. Otherwise its character is indicated by the symbol appearing after the check.

Wm. J. Henshaw
Tyler Henshaw
MILLS BUILDING
SAN FRANCISCO

Bill
San Luis Rey
Investment
attach my
copy

San Francisco, Cal. Dec. 23, 1918.

Mr. Ed. Fletcher,
San Diego, Cal.

Dear Sir:-

You refer in one of your last letters to the question of including the power in the sale to the district covering the Warner water.

I am quite willing to do this, especially if we can get the increased price that you suggest. It ought to be shown, however, that the value of the water for power is very much more than at the price we sell, and there should be such a statement in writing giving a valuation on this from Mr. McClure before we quote a price. Moreover, if we do sell agreeing to give all the riparian rights on the San Luis Rey, the contract ought to give us time to condemn in case it should be necessary, and this would protect us against a hold-up.

In case any reduction is decided upon, either in the matter of the Cardiff or the San Luis Rey districts, I feel in justice and in protection to Mr. McClure that the matter should be arranged through him; or in other words, put him in a position where he can go to the Trustees of the District and say to them in effect:

"I know that Mr. Henshaw is very anxious to see this development made and I am convinced that he is sufficiently public spirited to assist as far as he can in this enterprise. Now I would suggest that you allow me to go to him and see if I can obtain a reduced price. In order to do this you must authorize me to act in case I can get a reduction from him on the price."

In this way Mr. McClure would not be placed in the position where ~~some~~ the Trustees could say that they had purchased at less than his valuation. On the contrary, Mr. McClure would be in a position to maintain that the valuation was fully what he had placed upon the enterprise, but that he had been able to secure that much of a bargain.

WGH

Yours truly,

Wm. J. Henshaw

Ed Fletcher Papers

1870-1955

MSS.81

Box: 11 Folder: 13

General Correspondence - Henshaw, William - 1917 - 1918



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