

December 31, 1915.

Sen. James D. Phelan,
Washington, D. C.

My dear Senator:-

We notice by the paper, clipping herewith enclosed, that the City of San Diego is asking that a bill be passed in Congress setting aside certain Indian lands for the use of the City of San Diego for reservoir purposes. The newspaper article is entirely misleading and we feel that you should know the facts.

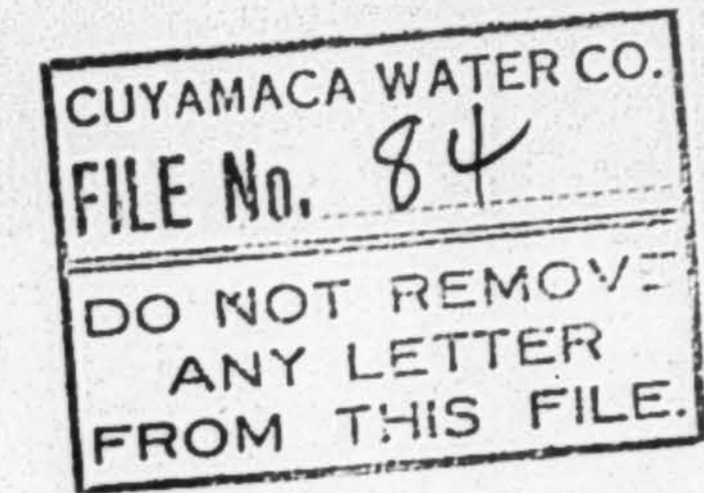
James A. Murray of Butte, Montana; William G. Henshaw of San Francisco; and Ed Fletcher of San Diego, own what was known as the San Diego Flume Company, but now operated under the name of the Cuyamaca Water Company. The Cuyamaca Water Company is a public utility. We furnish water to the Cities of El Cajon, La Mesa and East San Diego and have been furnishing to the City of San Diego several hundred million gallons of water yearly for the last two years. In addition we furnish several thousand domestic and irrigating consumers outside the City limits.

We own Cuyamaca Lake, the Diverting Dam on the San Diego River within the Indian Reservation, 35 miles of flume line, pipe line, etc., Murray Hill Reservoir, La Mesa Lake, and the distributing system to the City of San Diego.

The original cost of the San Diego Flume Company was approximately \$1,200,000 and the system was built approximately 30 years ago. We purchased the system June 1, 1910. The old San Diego Flume Company furnished water to our consumers for nearly 25 years. During the five years that we have owned the system, we have spent over \$600,000 in protecting our water rights, and increasing our diversion.

Our system is now under option to the La Mesa Irrigation District at a price set by the State Railroad Commission. The option expires on the first of January. The reason that the deal has not been closed is the fact that a suit was brought by Judge Boone representing the La Mesa Development Company denying the validity of assessment of property within the District. This clouded the title to the bonds and to date has blocked the transfer of the property to the District. We are making every effort with the District to get matters straightened out and in my opinion the Cuyamaca Water System will be sold to the La Mesa Irrigation District eventually.

The Cuyamaca Water Company owns the El Capitan Dam-site, approximately one-third of a mile of the valley below the damsite, and two-thirds of the valley that will be flooded within the reservoir site. Attached hereto is copy of map for your inspection.



Sen. James D. Phelan,
page 2.

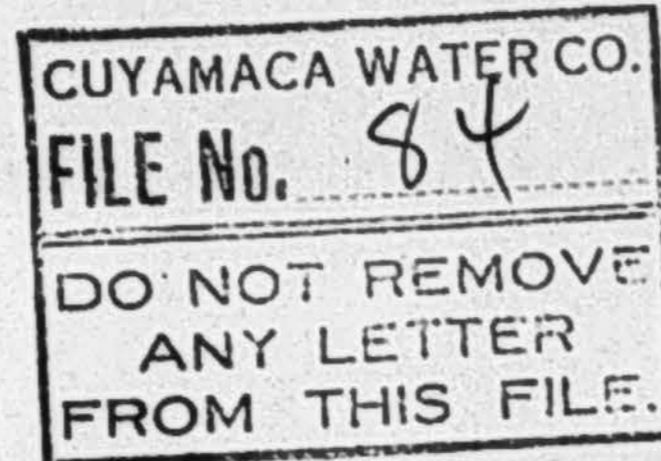
The City of San Diego has asked by act of Congress to have reserved certain lands in the Indian Reservation which will be flooded. These lands are encircled in red on the map herewith attached. You will notice that there are other properties which the City does not control, being the Henderson property and the Head property as shown on the map attached.

The City of San Diego began interested in this matter by virtue of a fake water filing of Mr. W. B. Hamilton on the San Diego River after three or four years trying to put over a purely promotional enterprise as admitted under oath by W. B. Hamilton himself. Mr. Hamilton, through his attorney Judge Boone, gives to the City of San Diego without one dollar consideration said water filing. Hamilton at the time of making this fake water filing made application to the Indian Service for their permission to flood the same lands which the City of San Diego is now asking Congress to set aside for the benefit of San Diego. But the Indian Service turned Hamilton down in every department from the Land Office to the Secretary of the Interior. It was then that Hamilton made a gift to the City of his fake water filing and his application to the Indian Service for floodage rights.

We ask the Secretary of the Interior for a chance to present the facts and that hearing is now on in the City of Los Angeles, California, before the Los Angeles Land Office where the City of San Diego is trying to get the Indian Service to rescind its previous order and secure the permit originally applied for by Hamilton.

We call the Hamilton water filing a fake water filing for the following reason. One C. T. Sackett, a former engineer in the employ of our Company, was discharged by us and interested Hamilton to make this filing. When Sackett left our employ, he took with him records and maps of survey from our office which cost us hundreds of dollars and has never returned them, including valuable data pertaining to the El Capitan Dam-site. Judge Boone is the attorney in fact for W. B. Hamilton and transferred Hamilton's filing to the City of San Diego. A few days later Judge Boone brought the suit which clouded the title to the bonds of the La Mesa Irrigation District and blocked our sale to the District. I am satisfied in my own mind that this suit was brought at the instigation of the City who are doing everything possible to keep us from selling the property to the La Mesa Irrigation District.

Sen. James D. Phelan,
page 3.



The next step in the development of our system is the construction of the El Capitan Dam where we have spent many thousand Dollars in driving tunnels, clearing the reservoir site, etc. Our main flume is within 300 feet of the El Capitan Dam itself when built and at a slight cost of pumping, any water stored in the El Capitan Dam can be put in the flume and from there carried by gravity to the City of San Diego's reservoir known as Chollas Reservoir or Lower Otay Reservoir as well as to our own reservoirs, Murray Hill Lake and La Mesa Lake.

We are satisfied that this action of the City in making an application to Congress is one simply to block the development of our system for the City of San Diego is not financially able to carry out the project it has attempted for the following reasons:

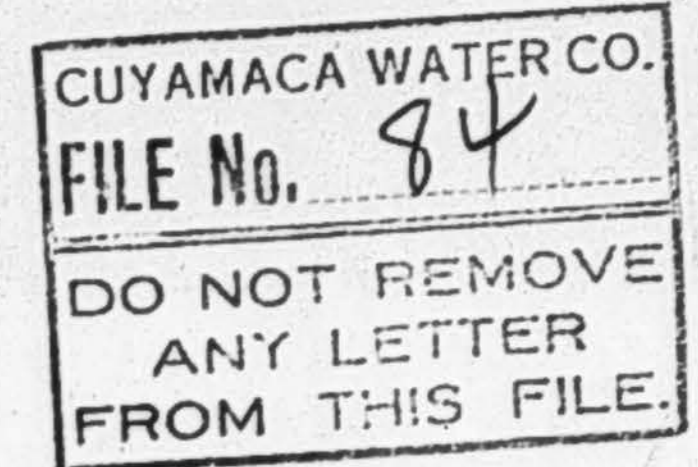
First, we have a statement certified to by the Auditor of the City of San Diego that its bonding capacity, to reach its 15% limit, is only \$1,641,000. At the Los Angeles hearing before the Land Office from December 20th to December 24th, 1915, the sworn testimony of the Engineers for the City was to the effect that the El Capitan Dam and pipe line to the City of San Diego would cost two million dollars to construct, although all engineers admitted they had not even made a survey to determine the distance from El Capitan Dam to the City Reservoir; that they had not determined whether there was bed rock or not; that they had not even made a survey of the El Capitan Reservoir site, but had used the survey by our former discharged engineer, Sackett, who can not now be found, neither was he one of the witnesses for the City at the hearing.

In the presentation of our case, admitting for argument's sake that the cost of the El Capitan Dam and pipe line is two million dollars; in addition thereto the City of San Diego must make the following expenditures:

(a) In the removal of all the Indians from the Indian Reservation and the purchase of new lands. You can get this estimate of cost from the Indian Service.

(b) The condemnation of the Cuyamaca Water Company's property, if it can be done. This includes the El Capitan Damsite and work already done, the destruction of two of our large pumping

Sen. James D. Phelan,
page 4.



plants which cost approximately \$35,000 to install; both plants will be covered with water if the El Capitan Dam is built, and are marked on said map herewith attached "Pumping Plants No. 1 and No. 2".

(c) The condemnation of nearly three-quarters of a mile of reservoir land flooded east of the damsite which we own, together with the cost of removal of the South Fork and Chocolate Syphons which convey all of the water of the Cuyamaca Water Company to its destination as both syphons will be flooded and are marked on the map herewith attached.

(d) The condemnation or purchase of the Head property and the Henderson property.

(e) The cost of construction of seven or eight miles of road above the water level from the mountain side to take the place of the present county road, estimated cost \$75,000.

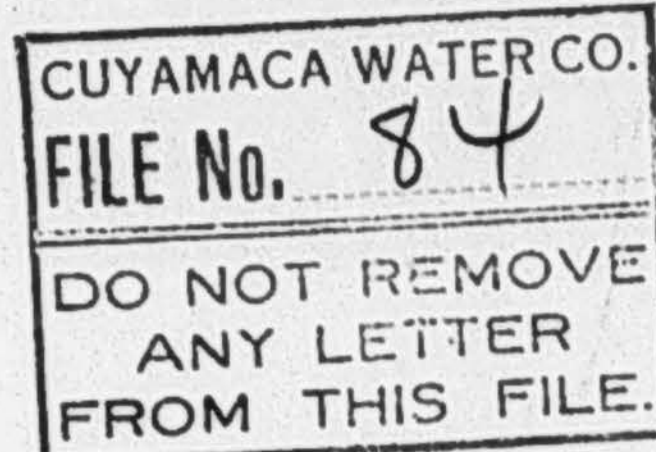
(f) The damage done the Cuyamaca Water Company through the ownership of its three million gallon daily El Monte Pumping Plant, 3 miles below the Damsite caused by the construction of the Dam and the cutting off of its supply of underground water.

(g) The acquisition of the riparian rights on the San Diego River for 25 miles to the ocean. Nearly the entire valley being devoted to alfalfa and truck garden with approximately 100 pumping plants dependent upon the water of the San Diego River for its underground supply. Altogether in my opinion the cost to the City of San Diego will be three to three and one-half million dollars so that you can readily see it is utterly impossible with a bonding capacity left of only \$1,641,000 for the City to handle such an undertaking.

The only object in my opinion of the City of San Diego making this application to Congress to flood said Indian lands is to block the development of the Cuyamaca system for the Cuyamaca Water Company by the construction of the El Capitan Dam ourselves for if Congress should grant the City's application, it would prohibit the Cuyamaca Water Company from building El Capitan Dam as it would be necessary to flood the Indian lands.

I do not ask you to take our word for anything. If it is impossible to make a personal examination, then I ask you in all fairness to have the request of the City of San Diego referred to the Indian Service for their investigation and report to Congress as to the facts. I know you believe in fair play and that is all we ask.

Sen. James D. Phelan,
page 5.



The La Mesa Irrigation District composes approximately 12,000 acres of land of such rights within 8 miles of the City limits of San Diego and some day will naturally become a part of the City.

If any further information or data is desired, we shall be pleased to furnish it to you.

We do not want you to feel that we are depriving the City of San Diego of any water, for we have within the last 30 days offered to furnish all our surplus water delivered to the City limits of San Diego without the investment by them of a dollar at a price to be set by the Railroad Commission of the State of California who has complete jurisdiction over all public utilities.

In closing, please remember that it is not alone the City of San Diego that must be considered, but the growing towns of El Cajon, La Mesa and East San Diego, to whom we furnish water at rates established by the State Railroad Commission. And the granting by Congress of this permit to flood the Indian lands means the curtailing of a supply for the growing needs of the Cities heretofore mentioned for the San Diego River is the only supply available for the Cuyamaca Water Company's consumers and United States Government Engineer Charles H. Lee who has made a careful study on behalf of the United States Government of both the flood waters and the underground water of the San Diego River, under oath has testified that the Cuyamaca Water Company is using in excess of one-half of the net safe yield gravity flow of the San Diego River at the present time.

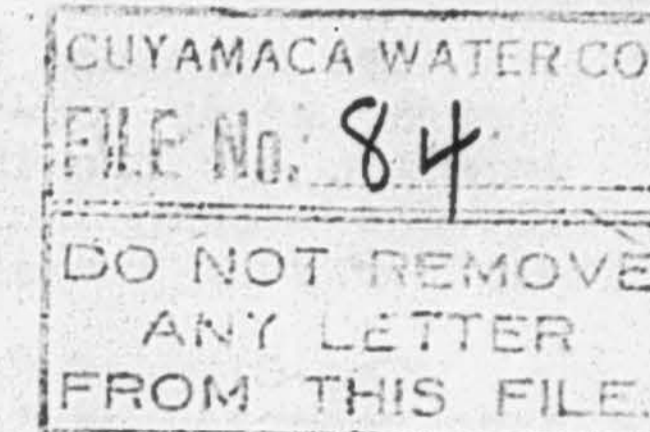
The Cuyamaca Water Company since it purchased the system, has initiated, diverted and protected new water rights on order of the State Railroad Commission, and when our development work under course of construction is completed, there will be no water in the San Diego River to be conserved by any one after taking into consideration the needs of the riparian owners from the El Capitan Dam site to the ocean.

Yours very truly,

EF-K

Manager.

January 25, 1916.



Hon. James D. Phelan,
c/o Hall of Congress,
Washington, D. C.

My dear Senator:

We notice by the papers, clipping herewith enclosed, that the City of San Diego is asking that a bill be passed in Congress setting aside certain Indian lands for the use of the City of San Diego for reservoir purposes. The newspaper article is entirely misleading, and we feel that you should know the facts.

James A. Murray, of Butte, Montana; Wm. G. Henshaw, of San Francisco; and Ed Fletcher of San Diego own what was known as the San Diego Flume Company, but now operated under the name of the Cuyamaca Water Company. The Cuyamaca Water Co. is a public utility. We furnish water to the cities of El Cajon, La Mesa and East San Diego, and have been furnishing to the City of San Diego several hundred million gallons of water yearly for the last two years. In addition we furnish several thousand domestic and irrigation consumers outside the city limits.

We own Cuyamaca Lake, the Diverting Dam on the San Diego River within the Indian Reservation, 35 miles of flume line, pipe line, etc., Murray Hill Reservoir, La Mesa Lake, and a distributing system to the City of San Diego.

The original cost of the San Diego Flume Co. was approximately \$1,200,000 and the system was built approximately 30 years ago. We purchased the system June 1, 1910. The old San Diego Flume Co. furnished water to our consumers for nearly 25 years. During five years that we have owned the system, we have spent over \$600,000 in protecting our water rights, and increasing our diversion.

Our system was under option of sale to the La Mesa Irrigation District, at a price set by the State Railroad Commission. The option expired on the first of January. The reason that the deal has not been closed is the fact that a suit was brought by Judge Boone, representing the La Mesa Development Co., denying the validity of assessment of property within the District. This clouded the title to the bonds and to date has blocked the transfer of the property to the district. We are making every effort to get matters straightened out with the district, and in the writer's opinion, the Cuyamaca Water System will be sold to the

La Mesa Irrigation District, eventually.

The Cuyamaca Water Company owns the El Capitan Dam site, approximately one-third of a mile of the valley below the dam site, and two-thirds of a mile of the valley that will be flooded within the reservoir site. Attached hereto is copy of map for your inspection.

The City of San Diego has asked you by act of Congress to have reserved certain lands in the Indian Reservation which will be flooded. These lands are encircled in red on the map herewith attached. You will notice that there are other properties which the city does not control, being the Henderson, Head, Darling and George Alford properties, as shown on the map attached.

The City of San Diego became interested in this matter by virtue of a fake water filing of Mr. W. B. Hamilton, made Dec. 21, 1911, on the San Diego River and after three or four years trying to put over a purely promotion enterprise, as admitted under oath by W. B. Hamilton, himself, at the recent hearing before the Los Angeles Land Office, Mr. Hamilton, through his attorney, Judge Boone, transfers to the City of San Diego, without one dollar consideration, said water filing and application to the Indian Service. Hamilton at the time of making this fake water filing made application to the Indian Service for permission to flood the same lands which the City of San Diego is now asking Congress to set aside for the benefit of San Diego. But the Indian Service turned Hamilton down in every department from the Land Office to the Secretary of the Interior. It was then that Hamilton made a gift to the City of San Diego of his fake water filing and his application to the Indian Service for floodage rights.

We asked the Secretary of the Interior for a chance to present the facts when the City of San Diego intervened, and that hearing is now on in the City of Los Angeles, California, before the Los Angeles Land Office where the City of San Diego is trying to get the Indian Service to rescind its previous order and secure the permit originally applied for by Hamilton. Therefore, the City is trying to get these floodage rights from the Indian Reservation in two ways covering these same lands: One way, through the Indian Service, and the other through Congress and your aid.

We call the Hamilton water filing a fake water filing for the following reason: One, C. T. Sackett, a former engineer in the employ of our company, was discharged by us and interested Hamilton to make this filing. To make it clearer, when Sackett left our employ, he took with him records and maps of surveys from our office which cost us hundreds of dollars and has never returned them, including valuable data pertaining to the El Capitan Dam site and Reservoir lands. Judge Boone is the attorney-in-fact

for W. B. Hamilton and transferred Hamilton's filing to the City of San Diego. A few days later Judge Boone brought the suit which clouded the title to the bonds of the La Mesa Irrigation District and blocked the sale of the Cuyamaca system to the said district.

We are satisfied that this action of the city of San Diego in making application to Congress is one simply to block the development of our system with the idea of eventually acquiring it, but the City of San Diego is not financially able now to carry out the project it has attempted for the following reasons:

First, we have a statement certified to by the Auditor of the City of San Diego that its bonding capacity, to reach its 15% limit, is only \$1,641,000. At the Los Angeles hearing before the Land Office from December 20th to December 24th, 1915, the sworn testimony of the engineers for the city was to the effect that the El Capitan Dam and pipe line to the City of San Diego, including cost of condemning the El Capitan dam site, which we own, and a portion of the reservoir site, would cost two million dollars to construct, although all engineers admitted they had not even made a survey to determine the distance from El Capitan Dam to the City Reservoir; that they had not determined whether there was bed rock or not; that they had not even made a survey of the El Capitan Reservoir site, but had used the survey of our former discharged engineer, Sackett, who cannot now be found. Neither was he one of the witnesses for the city, at the hearing.

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(e) The cost of construction of 10 or 12 miles of road above the water level on the mountain side, to take the place of the present county road, estimated at \$60,000.

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We do not ask you to take our word for anything. If it is impossible to make a personal examination, then we ask you, in all fairness, to have the request of the City of San Diego referred to the Indian Service for their investigation and report to Congress as to the facts. We know you believe in fair play, and that is all we ask.

We do not want you to feel that we are depriving the City of San Diego of any surplus water, for we have, within the last 30 days, offered to furnish all of our surplus water to the City of San Diego, delivered to the city limits, the price of the water to be set by the Railroad Commission of the State of California, who have complete jurisdiction over all public utilities and make all rates. It is only within the last year or two that the City has seen fit to claim the excess water of the San Diego River. But it is not alone the City of San Diego that must be considered, but the growing cities of El Cañon, La Mesa and East San Diego together with their suburbs, that have the prior right to the water of the San Diego River through us, as they have been taking water from us for 30 years past and to whom we are now furnishing water, at rates established by the State Railroad Commission.

These cities and this District cannot get any water excepting through us from the San Diego River and their territory is not one-third developed. The taking away of the surplus water from these cities and surrounding territory means the killing of any future development and growth of the territory through which we are now furnishing water.

already

The City of San Diego has installed within its city limits a complete pumping plant and system, costing approximately \$75,000, which will furnish five million gallons daily and which pumping plant has not been in use since June 1, 1915.

In addition, according to the reports of its engineers, at least three million gallons daily, at a reasonable expense, can be pumped by the city from the Tia Juana River. The City of San Diego, for nearly 20 years, secured either a part or all of its supply of water by pumping from the sands of the San Diego River.

Before the State Railroad Commission last Spring, the City of San Diego represented that it had a net safe yield of 10 1/2 million gallons from its present system, including the pumping plant in the San Diego River. Added to this 3 million gallons daily which it can get from the Tia Juana River at reasonable cost, together with at least 2 1/2 million gallons daily the year around, which the Cuyamaca Water Company can and are willing to furnish at rates set by the State Railroad Commission, makes a total of 17-3/4 million gallons daily net safe yield to the City of San Diego, according to their own sworn statement, while the average daily consumption last year was only between 8 and 9 million gallons. By this you can see that they are well supplied with water.

Within the last week or ten days, we have had extremely heavy rains, with the result that instead of a two-years' supply of water on hand, the City of San Diego now has, according to its city officials, 23 billion gallons, if it doesn't rain another drop -- or a six year's supply on the basis of last year's demand.

We also want to call your attention to the fact that the City of San Diego has other possible sources of water supply. Messrs. J. H. Lippincott, engineer for the Los Angeles Aqueduct, and M. H. O'Shaughnessey, City Engineer for the city of San Francisco and engineer in charge of the Hetch-Hetchy project, have made a favorable report and strongly urged the purchase by the City of San Diego of the Volcan system. This system could be purchased by the payment of \$1,000,000 in bonds, which would mean a guaranteed delivery of 10 million gallons of water daily, to the city limits of San Diego, and a 40-year option for the purchase of the entire system. In the meantime, the city to pay an agreed price, of approximately 10 or 12¢ per thousand gallons until the system is taken over by the city. Messrs. Lippincott and O'Shaughnessey's report states that the cost per thousand gallons for this water, when the system is fully developed, will be 6.8 cents per thousand gallons, with a net safe yield of 19.05 million gallons per day.

In closing, we wish to say that the U. S. Government officials, through the United States Land Office, have thoroughly investigated the local conditions here, and we sincerely hope that no action will be taken by Congress without the matter being referred to the Land Office.

Any additional data that you desire, we shall be pleased to furnish.

Very truly yours,

Over

CUYAMACA WATER CO.
FILE No. _____
DO NOT REMOVE ANY LETTER FROM THIS FILE.

EF-K & S
Enclos.

P. S. (Added to all letters except Kettner's)

I have just received word that Congressman Kettner has the bill, and is trying to secure the approval of the U. S. Indian Service before having it introduced in Congress.

March 6, 1916.

Honorable James Phelan,
U. S. Senate - Commission on Railroads,
Washington, D. C.

My dear Senator:

I thank you for your reply of February 26th, and all that I ask is that before any action is taken that the Department of the Interior be asked to make a report on the on the finding of fact in this matter as there has been a hearing before the Los Angeles Land Office in Los Angeles, covering a period of two weeks, within the last sixty days, and the Department of the Interior thru the Los Angeles Land Office has all the facts which I am sure will be of interest.

Appreciating anything that you may do in this matter to see that we get a fair hearing, believe me,

Very sincerely yours,

CUYAMACA WATER COMPANY

By _____
Manager

RF:B

CUYAMACA WATER CO.
FILE No. 84
DO NOT REMOVE
ANY LETTER
FROM THIS FILE.

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

GEORGE W. E. ATKINS, FIRST VICE-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 BRANCH OFFICE, 2715 WEST 7th STREET, LOS ANGELES, CAL.—TELEPHONES (WASH DC) 4536 (HOME) 8476

133GS QH 35 GOVT

WASHINGTON DC 430P FEB 7 1918

HON THOMAS J WALSH

HOTEL LEIGHTON LOSANGELES CALIF

TELEGRAM RECEIVED SANDIEGO WATER BILL HAS BEEN RECOMMITTED AND COLONEL
FLETCHER REPRESENTING OTHER INTERESTS WILL BE GIVEN A HEARING I HOPE
YOU ARE WELL

JAMES D PHELAN

495P

WESTERN UNION NIGHT LETTER

GEORGE W. E. ATKINS, VICE-PRESIDENT

NEWCOMB CARLTON, PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

RECEIVER'S No.	TIME FILED	CHECK

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

389 GSBG 36 GOVT

WASHINGTON DC 322 P SEP 9 1918

HON E B COSGROVE

CITY ATTY SAN DIEGO CAL

I CALLED UP AND HAD PASSED BY SENATE TODAY SAN DIEGO RESERVOIR
RIGHT OF WAY BILL ADVISE ME IF THERE IS ANYTHING FURTHER I CAN DO

JAMES D PHELAN

357P

Ed Fletcher Papers

1870-1955

MSS.81

Box: 21 Folder: 12

General Correspondence - Phelan, James D.



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