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 HARRY A. ENCELL - - EXAMINER
 MYRON WESTOVER - - EXAMINER
 W. J. HANDFORD - - EXAMINER

BRANCH OFFICE
 208 UNION LEAGUE BUILDING
 LOS ANGELES
 TELEPHONE 60072
 MICO 3821

Railroad Commission
 of the
 State of California

NINTH FLOOR, FLOOD BUILDING
 POWELL AND MARKET STREETS
 SAN FRANCISCO

W. R. WILLIAMS - - - SECRETARY
 H. G. MATHEWSON - - ASST. SECY.
 W. P. GEARY - - - RATE EXPERT
 RICHARD SACHSE - - CHIEF ENGINEER
 J. W. WHITE - - - AUDITOR
 W. C. FANKHAUSER - - BOND EXPERT
 DOUGLAS BROOKMAN - - ATTORNEY

TELEPHONE BUTTER 2260

ADDRESS ALL COMMUNICATIONS TO
 RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

August 13, 1919.

Ap. No. 4670

Col. Ed. Fletcher
 916 Eighth Street,
 San Diego, Calif.

Dear Colonel:

I am in receipt of yours of the 11th inst. addressed to me personally, accompanying which is a copy of a letter to you from your associate J. A. Murray and the thought instantly flashes into my mind "how in the world did such an optimistic chap as you are ever get into financial 'touch' (I use this term advisedly) with such a sourball as Murray very obviously is, judging from the tone of his letter?". After reading Murray's letter I am all the more strongly inclined to the opinion which I expressed in an off-hand way at the recent hearing, that the Cuyamaca Water Company should be incorporated. This you understand is being expressed unofficially.

Presumably the telegram informing you of the Opinion and Order in the recent hearing was received by you and also by this time a copy of the Opinion itself.

At the present time I am undecided in reference to the main rate case as to whether or not to undertake it. Commissioner Devlin, I understand, would be agreeable to my going ahead and it is possible that I may do so.

With personal regards,

Sincerely yours,

Irving Martin

IM*MPH

Personal

August 14, 1919

Mr. Irving Martin,
 c/o State Railroad Commission,
 San Francisco, California.

My dear Mr. Martin:

I wish to thank you for your promptness and for your decision in the Cuyamaca case. While in no sense do I believe this rate fully protects the interests of the Cuyamaca Water Company, nor do I believe it will produce a revenue that will give us even ordinary depreciation and interest on our investment, yet this decision gives us renewed hope and encouragement.

We will have El Monte Pumping plant in operation this week.

Can you not soon set the date for the main hearing, some time after the 15th of September?

With kind personal regards,

Yours very truly,

EF/bm

July 21, 1921

State Railroad Commission,
Flood Building,
San Francisco, Calif.

Attention Mr. Martin

Gentlemen:

Enclosed herewith find statement of our superintendent, Mr. Harritt, as to our water supply, which is explanatory, showing that there will be no water in our reservoirs the 1st of October, to speak of, even with pumping 24 hours a day from our El Monte plant.

On October 1st, we commence to spend \$50,000 in the relining and rehabilitation of our flume. We will first put our flume in condition from our El Monte pumping plant east to the diverting dam, so that the water pumped from the El Monte pumping plant will be available for the consumers on the flume during the month of October. On the 1st of November it will be necessary to shut off the water entirely on the flume to complete putting the flume in condition for the next winter's rains. We will have less water in Murray dam than we have had in five years, on the 1st of December, and we must put our flume in condition so as to fill Murray dam this coming winter.

We urge that you grant our request for the surcharge for pumping. On October 15th last, we were granted an increase in rates, the supposition being that previous rates were not sufficient. You are aware that we have never paid a dividend in ten years, and that heretofore the system has hardly paid operating expenses. This is the first year that we are accumulating a surplus, over and above operating expenses.

We know now, for a fact, that it will be necessary for us to spend \$18,000 to \$20,000 additional in the operation of our El Monte pumping plant to November 1st, 1921, which expense is over and above the ordinary operation and maintenance charges. The new rates having been in effect since October, 1920, have not permitted the company to accumulate sufficient surplus to take care of this extraordinary pumping

expense made necessary by the very dry year and consequent lack of run-off. The revenue from the sale of water to the City of San Diego is not sufficient to repair the flume, to re-construct the dam on the South Fork Creek, which was washed out in the flood of 1916, and do other work in the nature of maintenance.

We must immediately spend \$10,000 in Kensington Park in putting in a new water system on account of paving the streets.

We will have no money to pay dividends to the owners of this property this year, and will have to borrow money to make these improvements above mentioned.

We urge that you allow this surcharge for pumping, which has been customary every year in the past when we have been compelled to pump.

We again urge that you give us early relief, as an emergency exists, and the question should be decided whether or not we should pump or let Cuyamaca Lake go dry. By carrying out the plan that is suggested, by pumping, we can furnish our consumers with practically one hundred-percent supply this year.

Yours very truly,

CUYAMACA WATER COMPANY

By _____
Manager

MF:KLM

3 September, 1921

State Railroad Commission,
Flood Building,
San Francisco.

Attention Mr. Irving Martin

Gentlemen:

We are in receipt of your Decision No. denying our surcharge.

Owing to lack of funds, it is our intention to stop pumping, and refuse to furnish any water for irrigating purposes on the flume and High Line, commencing September 15th, next, as Cuyamaca Lake has this morning 19 feet and by the 1st of October would be practically dry, in spite of the continuous operation of the Monte pumps, pumping approximately 3 million gallons a day since early in July, at an expense of about \$5500.00 a month. It will cost us easily \$10,000 to operate the pumping plants until the rainy season comes again.

We commenced the operation of this pumping plant in good faith in the belief that the commission would adopt the report of the engineering department, and had no doubt but what the surcharge would be allowed, as it always has been in the past, and have been pumping ever since, and advancing the moneys for the operation which are sorely required for long deferred maintenance on other parts of the system.

While the Railroad Commission's decision only allows approximately \$4,000 per annum for pumping, we have already expended, this year, between \$10,000 and \$12,000, and we have reached a point where it is impossible for us to advance any more moneys for pumping. While it is true that our revenues are much larger this year, yet the fact remains that we have never paid a dividend, and the funds that we are receiving are already under contract for the re-construction of our flume. This work is under way, and has been under way for several months.

The proceedings have been instituted to pave Kensington Park, and in all probability we will have to

spend at least \$10,000 there, or have our second-hand leaky pipe lines condemned by the Board of Supervisors.

We are of the opinion that the State Railroad Commission cannot force us to pump when we have no funds with which to do it. We are calling a conference with the leading consumers, and explaining the facts to them this coming week. We suggest that you send a representative here no later than next Thursday or Friday, September 8th or 9th, to attend this conference.

Respectfully submitted

CUYAMACA WATER COMPANY

By _____ Manager

EF:KLM

P. S. Kindly wire answer our expense.
E.F.

3 September, 1921

State Railroad Commission,
Flood Building,
San Francisco.

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Respectfully submitted

CUYAMACA WATER COMPANY

By _____ Manager

EF:KLM

P. S. Kindly wire answer our expense. E.F.

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| HARLEY W. BRUNDIGE | PRESIDENT, COM. |
| H. D. LOVELAND | COMMISSIONER |
| IRVING MARTIN | COMMISSIONER |
| CHESTER H. ROWELL | COMMISSIONER |
| H. STANLEY BENEDICT | COMMISSIONER |
| MYRON WESTOVER | EXAMINER |
| WM. T. BATTERWHITE | EXAMINER |
| W. J. HANDFORD | EXAMINER |
| W. P. GEARY | RATE EXPERT-EXAMINER |
| W. H. WILLIAMS | EXAMINER |

BRANCH OFFICE
808 PACIFIC FINANCE BUILDING
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TELEPHONE 80072
PICO 3821

Railroad Commission of the State of California

NINTH FLOOR, FLOOD BUILDING
POWELL AND MARKET STREETS
SAN FRANCISCO



App. No. 6767

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|--------------------|----------------------|
| HENRY G. MATHEWSON | SECRETARY |
| RICHARD BACHSE | CHIEF ENGINEER |
| L. B. READY | GAS AND EL. ENGINEER |
| C. I. RHODES | HYDRAULIC ENGINEER |
| A. L. WILSON | TELEPHONE ENGINEER |
| W. C. FANKHAUSER | FINANCIAL EXPERT |
| HUGH GORDON | ATTORNEY |
| CHAS. A. BECK | AUTOMOBILE DEPT. |
| A. T. PETTEY | OFFICIAL REPORTER |

TELEPHONE SUTTER 2200

ADDRESS ALL COMMUNICATIONS TO
RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

September 8, 1921.

Cuyamaca Water Company,
916 Eighth Street,
San Diego, California.

Gentlemen:

Replying to your letter of September 3d, in which you state your intention "to stop pumping, and refuse to furnish any water for irrigating purposes on the flume and High Line, commencing September 15th, next," we sent you to-day the following telegram:

"Commission does not approve or authorize discontinuance pumping and water service indicated in your letter September third. Impossible to participate at suggested conference. Letter follows."

Due to the holiday on September 5th and the absence from the City of Commissioner Martin, to whose attention your letter was directed, our reply was delayed until today.

Supplementing the statements in our above quoted telegram, we wish to say that the Commission's Decision No. 9454 denying your application for surcharge is based upon, and is consistent with the evidence presented in that proceeding. Your letter apparently refers to matters outside of the record in that case and not formally brought to the attention of the Commission in any proceeding. We refer in particular to your statements concerning the amount expended for pumping covering a period subsequent to the hearing on the surcharge matter, to your statements that your increased revenues this year are already under contract for the reconstruction of your flume, and further statements concerning the probability of additional expenditures in connection with the paving in Kensington Park.

Insofar as any of these matters are material to the issues considered in the surcharge proceeding, you, of course, realize that they could be properly brought to the attention of the Commission by petition for rehearing.

Cuyamaca Water Company--2

in which event the Commission would take full cognizance of them in arriving at its final conclusions.

Authorization to discontinue service has not been asked, and cannot be granted by the Commission except upon a formal and definite showing of facts to justify the discontinuance. Your intention to discontinue, as stated in your letter of September 3d, is entirely contrary to your statements in the notice to consumers under date of July 29, 1921, wherein you indicate that, due to repair work on the flume, service of water from Cuyamaca Lake will be suspended on October 1st, but that a service of pumped water of three million gallons per day from the El Monte pumping plant will be available until October 15th, after which all service on the entire flume will be discontinued for approximately one month.

It would appear, therefore, that your present announcement of intention to discontinue all service on September 15th is based upon the Commission's denial of your application for surcharge, Decision No. 9454, and your unwillingness to use funds at your disposal for operating the pumps rather than for other purposes in connection with the maintenance of your system.

In view of all the circumstances, the Commission believes that continuance of service is of primary importance.

We regret that it is impossible at this time to send a representative to meet with you and the consumers in a conference, as suggested in your letter. We will be pleased to hear from you as to the result of your conference and trust that a satisfactory plan may be arrived at to assure the continuance of service.

Very truly yours,

RAILROAD COMMISSION OF THE STATE OF CALIFORNIA,

By *H. S. Mathewson*
Secretary.

HG:ELH

September 12, 1921.

PERSONAL

Mr. Irving Martin,
State Railroad Commission,
San Francisco, Calif.

My dear Mr. Martin:

I am in receipt of a letter from the Railroad Commission under date of September 8th, and assume that you wrote it. While the letter instructs us to continue pumping, yet I appreciate the friendly tone of the letter. I shall continue the pumping and also ask for a re-hearing.

The denial of our surcharge was certainly a disappointment. The Kensington Park paving, together with the rebuilding of our flume, is going to take more money than we have in sight at present. The Murray estate is tied up in endless litigation, and I can borrow no money from any bank in the city except with my personal endorsement, and I am not going to do that in the future. I owe the Murray estate \$90,000 on a one day demand note, and this represents part of my interest in the Cuyamaca System. I have simply been worried to death.

In addition to that, the fact stares me in the face, that altho we have voluntarily been in the hands of the Railroad Commission since 1913, we have never been able to declare a dollar's dividend. We had hoped that this year would put the Cuyamaca System on a basis where we could declare a dividend and help me, in a small measure in the matter of my own personal finances, but this has gone glimmering.

We have spent between \$10,000 and \$11,000 operating the El Monte pumping plant since the 1st of July. Add that to the expense for pumping that we have paid out the last five years, brings the average to September 1st to over \$4,000 a year for the last five years. Irrespective of the El Monte pumping plant cost of operation, the increased cost of the other pumping plants on the Cuyamaca System, as compared to corresponding years, brings the cost of pumping to roughly \$4,000 for this season, the annual estimate as referred to in the commission's decision. But, on top of that you ask us to stand an additional burden of \$10,000

or \$12,000 for pumping between the 1st of September and the 1st of December, which seems to me hardly fair. It is unfortunate that the question of the surcharge was not decided, even adversely, in June. I would then not have signed up the contracts to re-build the flume which I did in July, expecting, of course, that we would get our surcharge.

The city has appropriated no funds for the purchase of water after the first of next month, and there is every indication that the city will refuse to buy water after the 1st of October, therefore there will be no surplus funds coming in from that source.

I want to thank you for your personal interest in this matter, and hope that you will take immediate action on our application for a re-hearing, one way or the other, for if you are going to give us any relief, we must have a decision this month in order to get relief, as I understand that no increased rates or surcharge is retroactive.

Enclosed find copy of letter from our hydrographer, Mr. Green, with regards to Cuyamaca Lake, which is explanatory.

Yours very truly,

EF:KLM

Ed Fletcher Papers

1870-1955

MSS.81

Box: 17 Folder: 15

General Correspondence - Martin, Irving



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