

6 copies

9/25/14

BK.

OFFER OF SALE OF WATER PROPERTIES OF VOLCAN LAND AND WATER COLPANY TO THE CITY OF SAN DIEGO

May 18, 1914

* also -----

REPORT ON COST OF CONSTRUCTION OF A FORTION OF VOICAN LAND AND WATER COMPANY SYSTEM, By William S. Post,

May 12, 1914

also

ALL CORRESPONDENCE CONCERNING SAME COVERING PERIOD

from May 15th to Sept. 21st, 1914

and RESOLUTIONS NOS. 18183 and 18184.

Consit to Jan 20-1915

FLETCHER BUILDING 920 EIGHTH ST. SAN DIEGO, CALIFORNIA

Hoy 22, 1914.

To the Honorable Monders of the City Council, and San Diego Mater Counission.

San Diego, California.

Soutlemen:

100

As per our understanding at the last meeting, we submit the following proposition relative to the purchase of our water system.

The Volcent Land and Ester Company holdings which we agree to deliver include the following: All surveys, ongineering reports, water filings, water measurements, etc. This data alone during the last seven years has cost us approximately \$200,000. The other properties included are:

WARNERS DANSITE

Serners Dempite and 2960 acres of land that will be

floeded. The development work at the densite has cost us approximately \$75,000. and includes the following: Comprete out-off wall to bedrock constructed the entire width of the dam; 1000 feet outlet tunnel completed; conduit; engineer's residence. (one core); reads; telephone lines. etc. We consider the £960 cores of valley land in the Warners Ranch demnite easily worth (100 an acre. or \$296,000. The Railroad Commission -1of the State of California on the physical valuation basis, gave the Cuyamaca Eater Company a valuation of \$86 per sore for all its lands at Cuyamaca Lake; Hurray Hill Reservoir lands \$150 per sore; La Mean Reservoir lands \$100 per sore and the Eucalyptus Reservoir lends \$100 per sore. The lands floeded in Warners Reservoir are, as you know, all rich bottom lands, and the densite itself is extremely valuable on account of its natural pessibilities and elevation for the impounding of floed waters, for power, irrigation and demestic use.

2.

End

ard

SAN LUIS REY RIPARIAN RIGHTS

with the exception of the City of Oceanside riparian rights, which consists of the ownership of 6 acres of land, we will furnish all riparian rights of diversion of the Earners water into other watersheds, that may be attached to lands below Earners Reservoir, for 45 miles and to the ocean, through which the San Luis Rey River may flow. There are only six of the above riparian rights that we have not acquired, but these rights will be secured at our own expense. It has taken seven years to acquire these rights and has cost several hundred thousand dollars. We are of the opinion that the riparian rights of diversion could not be con-

dommed in court today at a less cost to the city than \$500.000.

RICHTS OF WAY FROM WARNERS DAM TO PAMO,

OR SUTHERLAND RESERVOIR

We will furnish clear title to all rights of way. including

the forebay for the power drop into Paro Valley and sufficient

land for a power station as woll. Our engineers estimate

that at least 5000 horsepower of electricity can be developed

by using the Marmers water alone, and approximately an additional

1000 hersepower from the Sutherland reservoir. In case the water from the Warners dam is desired to be conducted into Sutherland Reservoir and from Sutherland Reservoir into the San Diego River at the Diverting Dam, thence to the City of San Diego, practically the same hersepower of electricity can be developed only it will be in two units instead of one, the 500 ft, drop being made into the Sutherland Reservoir from Warners and a 1000 ft. drop from Sutherland Reservoir into the Diverting Dam Reservoir. 5a

4th

5th

6th

PANO DAHSITE

Pano densite and 662 acres of land that will be flooded. AS Pano we have spent between \$20,000 and \$40,000 in excavations in side walls and borings to determine the location of bedrock, construction of roads, etc. He are pleased to say that all reports are favorable and we have demonstrated that bedrock is in place, which will permit a concrete dan to be built if desired, and to any reasonable height.

SUTHERIEAND DAMSIEUS

This includes the demuite and 454 acres of land, the

total amount that will be flooded. Bedrock is exposed.

PREMIT FROM U. S. GOVERNMENT

Permit for diversion of water from Black Canyon to

increase the supply of Sutherland Reservoir.

PERMIT FROM U. S. GOVERNMENT

4.

Permit from the U. S. Government to divert water from Sutherland Reservoir through the Santa Maria Valley. The waters of Warners and Sutherland reservoirs can be diverted into Santa Maria Reservoir, or thru the Santa Maria Valley to the Diverting Dam, and thence to the City thru the Cuyamaca system, if desired.

8th

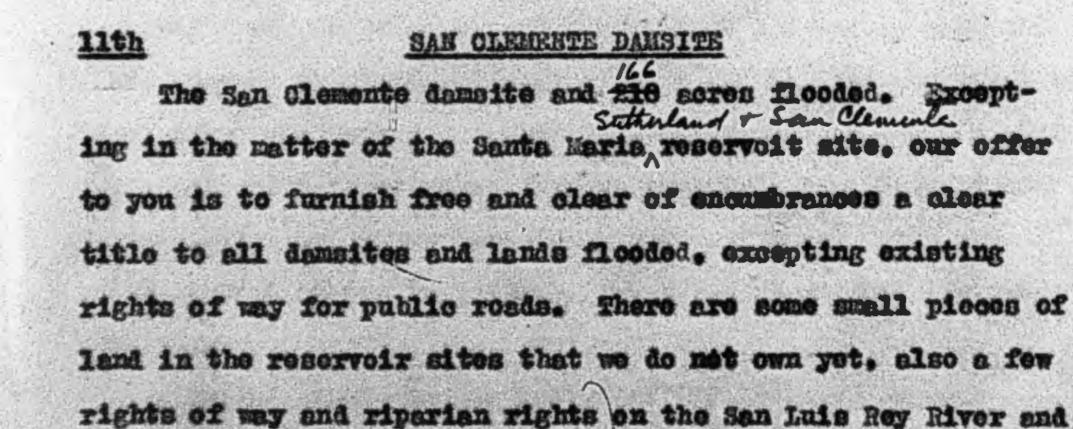
The

SANTA MARIA OR ALVERSON DAUSITE

Santa Maria or Alverson dansite and 60 scres of land in the Santa Maria Reservoir. There are two possible dansites at Santa Maria; one known as the Alverson dansite on the 80 acres that we control.

<u>9th</u> <u>CARROLL DAMSITE</u> and 885 acres that will be flooded. Bodrock is exposed. By building a dam here, an additional drainage area of 110 sq. miles below Pamo will be available as well as the saving in cost of practically all the riperian rights on the river.

10th ALL RIGHTS OF DIVERSION that we have acquired on the San Pasqual, Bernardo and San Dieguite Rivers.



it will be necessary for us to buy or condomn same at our own expense. but we reserve the right to ask the City to condomn these lands and riparian rights and we pay any judgment and all costs excepting attorney's fees. All data. engineering reports and records of the Velcan Land and Water Company will be included. B.

The writer particularly desires to call your attention to what he considers a very important matter and possibly of great advantage to the City in case the City ever took over the Cuyameon System. By building a large concrete conduit and pipe line from the Diverting Dam of the Cuyameon Water Company to Chollas Heights Reservoir, the City, at any time, by building the conduit line from Warners to Sutherland Reservoir and from Sutherland Reservoir thru the Santa Maria Valley to the Diverting Dam, will be able to place into Lower Otay any excess flood waters from the San Luis Rey, the Santa Yaabel or the San Diego Rivers. This materially increases the value of the prosent San Diego water system acquired from Mr. Spredklas, as it would mean filling without fail each year the Otay Reservoir with flood waters if needed.

The purchase price of the property of the Velcan Land and Water Company is \$2.500,000, as of date May 1. 1914, to which is to be added any monoys expended thereafter, and this price will hold good until canceled by written notice. Providing it is deeded advisable to purchase these properties and bonds are voted we will accept in payment. 45% bonds at par and accrued interest. Attached hereto is our letter of May 15th, giving the

cost in detail of the construction of a portion of the Volcan

Land and Water Company system.

In submitting this suggestion, by which the City can obtain this water at a minimum cost and minimum burden, we beg leave to call the attention of your Honorable Body to the fact that although we have assumed, at your suggestion, \$1,500,000 as the amount to be immediately expended in construction, if your Honorable Body desires this amount increased may to \$1,750,000 or possibly \$2,000,000 under your own plans and specifications, this will be actisfactory to us.

6.

The point that we desire to call your attention to is that it will all be financed by the Volcan Land & Hater Company; thus relieving the city of providing any further money beyond the initial payment of \$1.500,000. So put it enother way, this means that by voting \$1.500,000 in bonds, the City of San Diego is assured of at least ten million gallons of water per day, delivered to University Heights Reservoir in the City of San Diego, also securing the entire control of the flood waters of the San Lais Rey River and Pano and Bernardo River with an average runoff the last 10 years in excess of 50 million gallons of water per day, year in and year out.

As your Honorable Body knows, the Volcah Land & Water

Company desires an early decision as these negotiations have been pending since December 1st. 1915, and what is proposed in our communication of May 15th. 1914 is merely to expedite matters and do everything we can to hasten an immediate decision. The writer hopes that your Honorable Body will take early and favorable action on this matter, so as to preclude the possibility of these properties being acquired by others who are now considering the purchase of same.

> Respectfully submitted. VOLCAN LAND & WATER COMPANY By Ed Fletcher.

> > Menager.

7.

and the second second

nd Water Counisaion.

City of San Diego. Cal. Gentlemon:-

We have been requested to suggest to your Honorable Board what, in our opinion, would be the simplest method involving the least smount of money and burden to the City of San Diego to sequire the so-called Warner and Pamo Esters.

May 15th.

The suggestion is as follows: That the City enter into a contract to purchase all the water rights, densites, reservoir sites, etc., etc., as set forth in our communication to you of April 30th, 1914, excluding the holdings of the Cuyamaca Water Company, for \$2,500,000. On this contract the city should pay at this time \$1,500,000 by the issuance of bonds.

This leaves \$1,000,000 still unpaid, and it is

estimated that it will require \$1,500,000 to construct the Warner dam, the Carpoll dam, and the necessary tunnels and sequeduct connections; also including the large steel pipe line that will be necessary to connect the Carpoll dam with the University Heights reservoir in the City of San Diege. This estimated amount of \$2,500,000 could be placed as a bond issue upon the property.

Water Commission of San Diego -

The above mantioned contract with the city will provide that the city has a right to purchase at any time (to be agreed upon), say five, ten, fifteen or twenty years, at which time by the payment of sufficient amount to extinguish the \$2,500,000 bonds, they become the owners of the entire system. 2.

Further, the contracts to provide that the City will pay for water at a given price and to reserve the right of disposal of the water to cutsiders. The price that the city agrees to pay for the water to be only sufficient to carry the fixed charges of interest on the bonds, opersting expenses, etc. etc.

The contract to further provide that no dividend shall be paid upon the stock. but any money in the treasury would be devoted to betterments, improvements and extensions under the direction of the City of San Diego.

The contract to further provide that the amount of \$1.500.000 assumed to be expended in the development of the system, whether the amount be more or less, shall be expended under the direction and approval of the City of

San Diego.

We would expect to issue these bonds with a

retiring clause, so that the city would exercise its right

to purchase under contract at any time. You will see that

under this plan, the city will have only to pay 1.500,000 now in bonds and will need to expend no more money if it

sees fit for twenty years thereafter.

Water Counission of San Diego.

Further, the above payment of \$1.500.000 will enable us to furnish the money for the construction so that the city will immediately have all of its water available for the purposes of development of the city and the neighboring country. All this will be done without the expenditure of any more money and without any extra hurden thrown upon the municipality.

3.

This is a general outline of the mothod by which the city can obtain this water with a minimum expenditure and burden, and any modifications and changes in the matter of detail can easily be adjusted.

If the city should enter into the above contract without delay, it would permit a sufficient time for the construction of the Carroll damaite before the coming winter; this would insure to the city ample water for 1915. During 1915 the Warners construction could be completed so that the city would have the San Luis Rey water by the spring of 1916.

You can readily see the necessity for immediate

action to prevent the loss of a year in obtaining the water.

Yours vory truly.

Ed Fletcher.

Nanager.

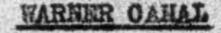
<u>OF VOLCAN LAND AND WATER COMPANY'S SYSTEM</u> By William S. Post and C. E. Hickok May 11, 1914. 3.0

INTRODUCTION

This report is prepared by instructions of Mr. Ed. Fletcher, Manager, to furnish an estimate of cost of the conatruction of Warner's Dam to 80 feet water level, Warner Canal from the dam to and through the divide into Santa Yaabel River. Carroll Reservoir to 90 feet contour, a pumping plant at the Carroll Reservoir, and a pipe line to the City of San Diego.

WARNER'S DAM

This estimate provides for a reservoir to the 80 foot contour with a capacity of 78.310 sore feet. The area flooded will be 2960 sores. The dam is calculated for a height of 85 feet or 5 feet above the high water line. The type of construction proposed, is hydraulic fill 20 feet wide on top with slopes of 22 feet horizontal to 1 foot vertical. The upper slope will be ripripped. An outlet tower and regulating gates are estimated to be connected with the tunnel already constructed.



This canal will convey the vator of Warner reservoir from the outlet tunnel through the divide between San Luis Rey River and the Santa Yambel River, a distance of 6.6 miles. The type of conduit estimated is concrete lined canal 4 feet wide on the bottom and 5 foot 6 inches deep on a grade of 1 foot per 1000. The espacity is 6000 miners inches. The estimate includes two short tunnels and the divide tunnel 6200 feet long. This will deliver the Warner water into the natural channel of Temescal Greek, thence it will reach the Santa Yeabel River and finally flow into the Carroll Reservoir.

2.

GARROLL RESERVOIR

This reservoir is proposed to have a depth of 90 feet when it will flood 980 nores and have a capacity of 24,500 nore feet. The dam estimated is cyclopean concrete with spillway over the entire length of the dam. On the lower side of the dam will be situated a pumping plant, probably consisting of 3 - 400 H.P. motor-driven units, one of which will be ordinarily used as a spare. The average lift of the water will be about 250 feet. If it is desired, the low service supply of the city of San Diego can be furnished by a pipe line laid to La Jolla. thereby eliminating much of the pumping lift.

PIPE LINE TO THE CITY OF SAN DIEGO

The pumping plant will deliver the water to an elevation of 512 feet from which point an economical gravity pipe line can be located in elmost a direct line across the Linda Vista Kesa to the University Reservoir. The altitude of the top of this

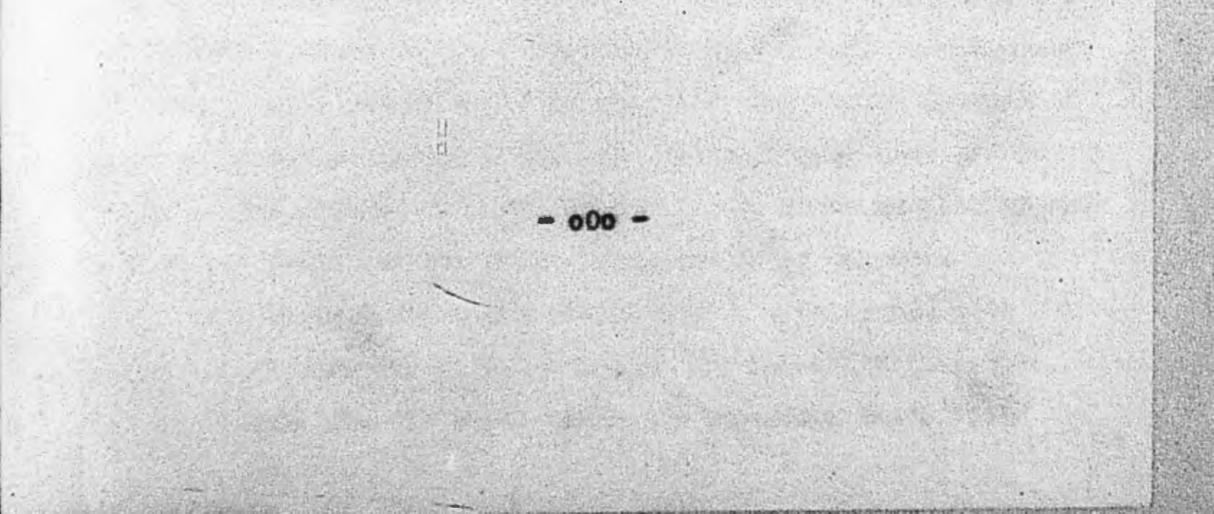
reservoir is 400 feet. The size of the pipe line nocessary to deliver 10,000,000 gallons daily is 32 inches. This is estimated to be constructed of riveted steel with a life of 20 years. The attached sheet gives the estimate of cost for the above described works.

SUMMARY OF COST

3.

WARNERS DAN

Earth dam 85 foet high Outlet tower and tunnel	\$ 187.000	\$ 217,000
WARNER CANAL		
Conduit to Inserdi Tunnol Inserdi Tunnol	\$ 180,500	338,700
CARROLL DAN AND PIPE LINE		
Concrete dam 90 fest high Pumping plant, etc., 212 miles of 32" steel pipe	\$ 273,000 46,800	
from Carroll Damsite to University Heights Reservoir	406,000	725,800
TOTAL.	\$ 1.281.500	
Engineering and contingoncies 20%		256.300
TOTAL COST		1.537.800



Executive Department City of San Diego, State of California. Charles F. O'Neall, Mayor.

San Diego, California. Nay 28th, 1914.

To the Honorable Charles F. O'Neall, Mayor. The Members of the Common Council. The Members of the Water Commission of the City of San Diego, California.

Gentlemen:

Pursuant to the agreement reached at the Mayor's conference of even date herewith, I am extending, on behalf of the Volcan Land and Water Company, the time for the acceptance by the City of San Diego of the proposition contained in that certain document addressed by the Volcan Land and Water Company to the Honorable Members of the City Council and the San Diego Water Commission, under date of May 22nd, 1914, for an additional peried of four months, or until September 22nd, 1914.

This extension of time being given to enable an engineer, recommended by the Railroad Commission of the State of California, or by agreement of the interested parties, to make an investigation of the properties of the Volcan Land and Water Company

and to make a final report in duplicate of the valuation thereof. One copy of said report to be delivered to the Common Council of the City of San Diego the other copy to the Volcan Land and Water Company. The expense of said engineer to be borne equally by the City of San Diego and the Volcan Land and Water Company. It is further understood that the following said report and in case the City desires to act favorably thereupon that the Common Council shall adopt the necessary resolutions and ordinances providing for a bond issue and contract for the purchase of the Volcan Land and Water Company propertics as soon thereafter as may be done under the general laws of the State of California.

Provided however, that in case a final report of valuation is made by said engineer prior to the 22nd of September, 1914, then in that instance the time for the passing of resolutions and ordinances calling a bond election shall commence four weeks after said final report is filed by said engineer.

Trusting that this matter shall be brought to a final determination at the earliest possible moment un and that no/necessary delay shall be experienced in this matter, I am with sincere feelings of esteem,

> Very truly yours, (Signed) Wm. G. Henshaw

> > Prest. Volcan L. & Water Co.



WRSTBRN UNION

NIGHT--LETTER

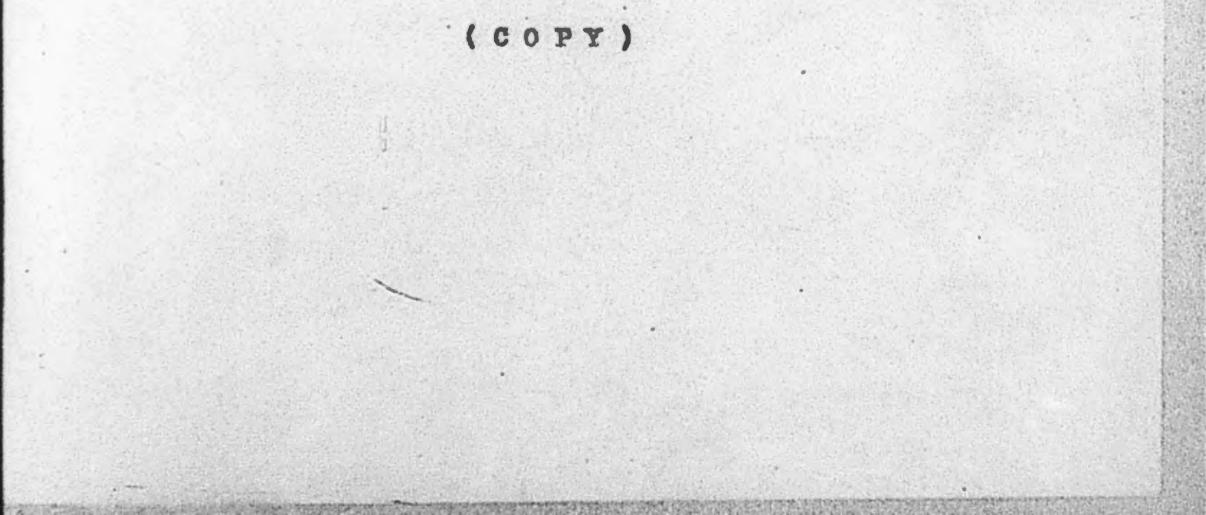
San Diego, Calif., May 28th, 1914.

Railroad Commission, State of California,

Market Street, San Francisco, California. The City of San Diego is contemplating the purchase of the properties of the Volcan Land and Water Company. It is our wish that you kindly recommend to us the name of an engineer whom you deem capable of making this estimate of valuation and one without interest or prejudice in the matter.

> (Signed) CHARLES F. O'NEALL, Mayor City of San Diego.

(Signed) ED. FLETCHER, V-Pres. Volcan Land & Water Co.



WESTERN UNION

TELEGRAN.

San Francisco Cal. May 29-1914

CHAS F O'NRALL

the second s

MAYOR SAN DIEGO CAL.

CAN RECOMMEND P E HARROUN JIFTY HIGHT SUTTER ST SAN FRANCISCO ENGINEER TO VALUE WATER PLANT HAS HAD WIDE EXPERIENCE AND WAS FORMERLY WITH THIS COMMISSION IF HE NOT AVAILABLE CAN PRODUCED A R KELLEY NEVADA BANK BUILDING SAN FRANCISCO CONSCIENTIOUS AND CAPABLE VALUATION ENGINEER ALSO FORMERLY WITH COMMISSION BUT OF HORE LIMITED EXPERIENCE THAN HARROUN.

RAILROAD COMMISSION

(COPY)



San Diego, Calif. May 30th, 1914.

Mr. P. E. Harroun,

58 Sutter St.,

San Francisco, Calif.

"Railroad Commission recommended you to fix valuation Volcan water properties for City of San Diego. Are you available? When can you come, and price per month, for not to exceed three months?"

> (Signed) Charles F. O'Neall, Mayor City of San Diego. (Signed) Ed. Fletcher, V.President Volcan Land & Water Company



RESOLUTION No. 18185

BE IT RESOLVED, By the Common Council of the City of San Diego, as follows:

That the Volcan Land & Water Company be, and they are hereby requested to extend the option granted the City of San Diego for the purchase of the Volcan Land & Water Company's properties for a period of thirty (30) days, to and including the 22nd day of October, 1914. This extension of time being an additional period of thirty days, and subject to the terms set forth in the communication of May 28, 1914, addressed by the President of the Volcan Land & Water Company to the Mayor and Common Council of the City of San Diego.

I HERREY CERTIFY the above to be a full, true and

correct copy of Resolution No. 18183 of the Common Council of the City of San Diego, California, as adopted by said Council Sep. 21, 1914

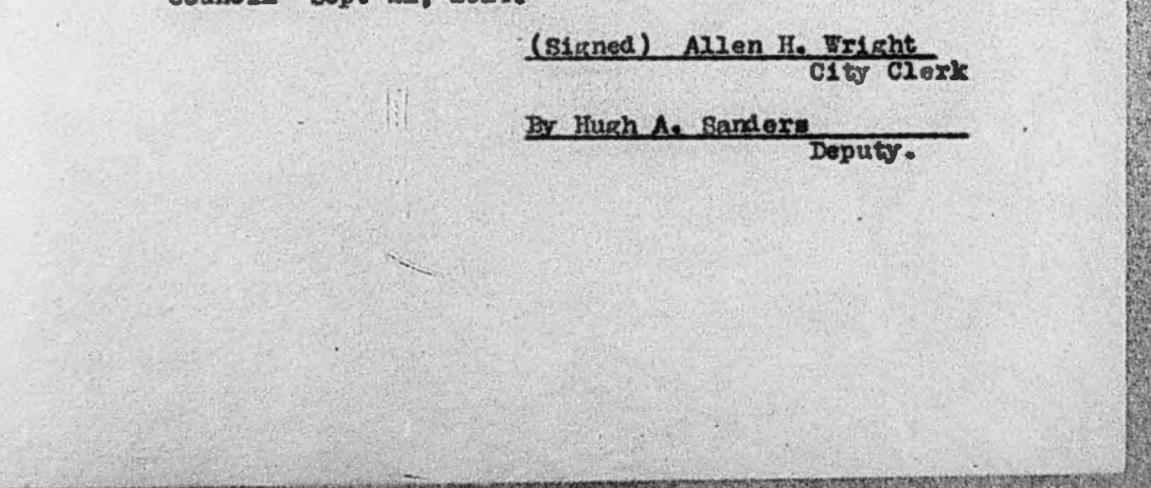
> (Signed) Allen H. Wright City Clerk By Hugh A. Sanders Deputy

RESOLUTION No. 18184

BE IT RESOLVED, By the Common Council of the City of San Diego, as follows:

That the Volcan Land & Water Company be, and they hereby are requested to submit to the Mayor and City Council of the City of San Diego the contract, agreement and other legal documents all worked out in detail, providing the ways and means by which the Volcan Land & Water Company proposes to transfer its properties to the City of San Diego.

I HEREBY CERTIFY the above to be a full, true and correct copy of Resolution No. 18184 of the Common Council of the City of San Diego, California, as adopted by the said Council Sep. 21, 1914.



Ed Fletcher Papers

1870-1955

MSS.81

Box: 41 Folder: 3

Business Records - Reports - Post, W.S - "Reports on: Offer of Sale of Water Properties of Volcan Land and Water Company to the City of San Diego, May 18, 1914; Cost of Construction of a Portion of Volcan Co. System, May 12, 1914; All Correspondence Concerning Same Covering Period from May 15 to Sept. 21, 1914"



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