

May 25, 1914.

Mayor C. H. O'Neill,
San Diego, Cal.

My dear Mr O'Neill:

Enclosed find report of the hearing of the Cuyamaca Water Company case before Mr Eghelman, Saturday. This is an admission on the part of the Railroad Commission that in establishing a valuation of the Cuyamaca Water Co. case last year, they made an error in not giving us a valuation for our water rights, intangible values, etc. The Supreme Court, in a recent decision, has declared water rights have a value and must be taken into consideration.

In the matter of the valuation of the Spreckels system, my understanding is that the value of water rights was not taken into consideration, and if they were, the value would undoubtedly be in excess of four millions of dollars. The Cuyamaca Water Company filed on June 1, 1910, and have consistently maintained those water rights ever since, carrying out in detail our attorney's advice to protect our interests and hold our water filings according to law.

Admitting for argument's sake that the city of San Diego has a prior right to the water of the San Diego River, yet you can readily see that our water filings are several years in advance of any other filings on the river, particularly those filings of the La Mesa District. In the

Mayor O'Neall -2

acquisition of our system by the city, you will acquire these rights of ours, and you will have not alone your claim under your own pueblo rights, but our filings of June 1, 1910, backed up by our actual diversion and maintenance according to law.

In our offer to the city, we did not include the Cuyamaca system for the reason that we felt that you as well as ourselves would like to get from the Railroad Commission a decision giving physical valuation of our property. This question will probably be settled within a few weeks, and at that time, when a decision is rendered, if the city cares to take over the Cuyamaca system along the lines talked of heretofore, satisfactory arrangements without the necessity of a bond issue will be made with the city.

When we have completed our diversion and constructed our reservoirs, there will be very little water, if any, left to put into any dam that the La Mesa District may build. We are positive that our water rights are valid, subject to any rights that the city may have, and it will only be a matter of paying damage if it can be shown that we are damaging any of the riparian owners below. If the city steps into our shoes, they will have many advantages over any claim of the La Mesa District to the waters of the San Diego river, and in addition, get a going concern with a revenue assured of \$100,000 to \$125,000, and in addition, be able to control and utilize all the flood waters thru our system that now go to waste to the ocean.

Very truly yours,

F-K

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right of appeal is lost, and for a year or more they have been paying the new rates established by the Commission, instead of the old so-called contract rates. The acceptance of the jurisdiction of the Commission and the payment of the new rates forever eliminates the old contracts so far as the rate is concerned, but it does not eliminate the responsibility of this system to deliver water - the amount heretofore and now being put to beneficial use. Neither do we desire to evade that just responsibility, for it means consumers for water, who will pay a price to be set by the Commission, which means at least a reasonable interest on our investment. But any excess waters, either flood or storage, belongs to the city to do with as it sees fit, if the city ever takes over the system.

The question for the city to decide, in my opinion, is, how much excess water is there, and does the amount of excess water warrant the purchase of the system?

We claim to control, and do divert, practically all the waters that pass the diverting dam, as well as the waters of the South Fork. That question as to what our rights are is one for the city to determine.

We had another hearing a few weeks ago relative to the rate to be paid on thirty different tracts. All of these tracts of land had old water right contracts and had been subdivided into small tracts or lots, and each individual lot

C. F. O'Neill,

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owner had been decided from 1/40 to 1/60 of an inch of water right.

Enclosed herewith find printed decision of the Commission, the interpretation of same being as follows:

That where these individual lot owners have been paying for water at the irrigation rate under the old contracts the question of contracts has been entirely eliminated, and their water rate has been increased from about 1 1/2¢ a thousand gallons, or \$70 an inch, to 15¢ a thousand gallons, with a minimum of 75¢ a month. This last mentioned rate applies in cases where the Cuyamaca Water Company does not own the distributing system, and we only furnish them water in bulk to the tract. Where we furnish the water direct the minimum rate is \$1.25, and water 25¢ a thousand gallons, as in the original decision in June, 1912.

To sum up the whole matter, I am sure that I can convince you the following is the true situation, if you will give me the opportunity:

1st. The old contracts are void, for the old rates can never again be put into effect, except by order of the Railroad Commission. The said Commission has increased the rates from 1¢ for irrigation to 1000% in subdivision, and the time has elapsed to appeal from the decision of the Commission, who has complete jurisdiction.

2nd. The only demands on the system are the demands for water that has been and is now being put to beneficial use.

C. F. O'Neill,

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The total amount of this demand, according to the decision of the Commission after a thorough investigation, is 257 minor's inches.

In judging the Cuyamaca system, from the city's standpoint, is this not the way the city should look at it? What are the demands on the system, and what amount of excess water can be obtained? What rate may be collected for water that is furnished to outsiders, in case the city takes over the Cuyamaca system? And the following I can prove to you is the correct answer to these questions:

1st. The Railroad Commission will insist upon the present consumers being furnished with water, and they will establish a rate this coming winter that will pay at least from 7 to 10% upon the investment, irrespective of contracts, which will have to be paid by the present consumers of the Cuyamaca Water Company.

2nd. Any water that can be developed in excess of the requirements of the present consumers the city can utilize as it sees fit, for its own consumption.

I shall be very glad, at any time, to discuss this matter further with you.

Please read carefully the decision of the Commission, herewith enclosed, and you will see that there is no question but what the Commission claims jurisdiction as to rates.

Enclosed herewith find complete data of run-off of the San Diego River, that will be of interest.

Yours very truly,

THE CUYAMACA WATER COMPANY,

By _____
Manager.

June 9, 1914.

Honorable Chas. F. O'Neill,
Mayor, San Diego, Calif.

Dear Sir:

Enclosed find copy of communication to the Railroad Commission of the State, according to our verbal agreement of this date; also copy of ordinance of the City Council No. 5569, copy of Resolution No. 16675 of March 13, 1914, and copy of my communication to the City Council of date April 17, 1914.

Very truly yours,

GUYANACA WATER COMPANY.

By _____
Manager.

F-S

Not reviewed after dictation.

*See Railroad Com
for copies*

SAN DIEGO, CALIFORNIA, August 22, 1914.

Ed Fletcher

On behalf of the City of San Diego and the Volcan Water Company, His Honor Mayor O'Neill and Ed Fletcher, notify you of your appointment as a member of a water investigating committee, to make a trip of inspection of the holdings of the Volcan Water Company.

We will leave the City Hall promptly at eight o'clock A. M. Thursday, August 27th. The itinerary includes a visit to the Carroll, Pamo, Sutherland, Warners and San Clemente reservoir sites, as well as the water sheds of the San Luis Rey and Pamo Rivers. We will stop at Warners Hot Springs Thursday night, and arrive in San Diego no later than two o'clock Friday afternoon.

Many prominent citizens have been invited, and you are urged to make the trip. All arrangements have been made please for transportation, and you will/notify Ed Fletcher, 920 Eighth Street, by Wednesday noon, of your acceptance of this invitation.

Yours very truly,

MAYOR CHAS. F. O'NEILL and Ed FLETCHER,

By _____

This letter sent to the following:

John D. Spreckels,
Harry L. Titus,
W. L. Clayton,
L. J. Wilde,
John Forward, Jr.
C. L. Williams,
Frank Belcher,
Percy Benbough,
Otto Schmidt,
Col. Fred Jewell,
Chas. Hardy,
W. L. Trevert,
E. M. Hoffman,
H. T. Gilmore,
E. M. Capps,
D. C. Reed,
J. E. Wadham,
J. W. Sefton,
Chas. T. Chandler,
Geo. Burnham,
Julius Wangerheim,
Frank Salmon,
Louis Blochman,
Judge W. A. Sloane,
Judge T. J. Lewis,
H. H. Jones,
Earl Drake, *will go*
Dr. F. R. Burnham,
J. A. Gillons,
W. B. Hage,
Claude Woolman,
Father Eugene A. Haffernan,
Rev. W. E. Crabtree,
Rev. W. B. Thorpe,
Roscoe Hazard,
Winfield Hogaboom- *will go*
G. W. Stevenson,
Duncan McKinnon,
John Starkey,
F. B. Naylor,
Montgomery Moulton,
Clarence Seybolt,
D. W. Blackwell, Box 41,
Carl Heilbron,
Arthur Cosgrove
M. B. Fowler, at Gas Co.
J. L. Doyle, ef-2
Chas. Bartholomew, Postmaster
D. K. Adams,
H. R. Fay,
Herbert A. Whitney,
Wm. S. Post,

All post-office San Diego.

E. F. Stahle, *will go*
Prospect Ave.,
Mountain View Cottage,
La Jolla, Calif.
(Member Chamber of C.)

C. A. Bradley,
Chula Vista,
California.

Mayor O'Neall,
City Auditor Moody

James MacMullen, Ed. Union,
W. E. Marion, " Tribune
C. A. McGrew, " Sun.

Invitations have been issued by Mayor Chas. F. O'Neall, on behalf of the City, and Colonel Ed Fletcher, on behalf of the Volcan Land & Water Company, to a number of prominent business men of the city to take a trip over the holdings of the Volcan Land & Water Company, leaving Thursday morning at 8:00 o'clock.

The itinerary includes first a visit to Carroll Dam, then to Pamo, where luncheon will be served. In the afternoon a visit will be made to the Sutherland Dam site, and thence to Warners Hot Springs for the night. On Friday morning the Warners Dam will be inspected, and thence down the San Luis Rey Valley for forty-five miles to Oceanside, and home via the coast.

The following is a list of names of business men who have accepted the invitation to make the trip:

Mayor Chas. F. O'Neall,
Councilman Percy Benbough
Councilman Otto Schmidt,
Councilman D. K. Adams,
Councilman H. R. Fay,
Councilman A. H. J. Manney,
Engineer Herbert A. Whitney,
Engineer William S. Post,
Colonel Ed Fletcher,
E. M. Hoffman,
E. M. Capps,
J. W. Sefton,
George Burnham,
Louis Blochman,
Earl Drake,
Dr. F. R. Burnham,
J. A. Gillons,
W. B. Hage,
Claude Woolman

Roscoe Hazard,
Winfield Hogaboom,
G. W. Stevenson,
Duncan McKinnon,
John Starkey,
Clarence Seybolt,
F. A. Hamilton,
Carl Heilbron,
Arthur Cosgrove,
M. B. Fowler,
J. L. Doyle,
Postmaster Chas. Bartholomew,
H. L. Moody,
C. A. Bradley,
E. F. Stahle.

Austin Adams,
Fred Barbour,
George Buxton.

August 21st, 1914.

Sept. 11, 1914.

Dear Sir:-

The most important problem confronting the people of San Diego is WATER. You are doubtless familiar with our past and present condition and know something of the needs for the future.

On Friday night, August 28th, at the Armory, 13th & "G", will be held a meeting under the auspices of San Diego, to discuss the advisability of acquiring the Volcan Water Company's property, consisting of certain water rights and damsites which, when improved, will add 23,000,000 gallons of water to our present supply, daily.

You are earnestly requested and urged to be present on that occasion and express your opinion on the matter, and advise as to any better plan than the one proposed.

Trusting that you will be present, I am,

Yours very truly,

Chas. F. O'Neill,
MAYOR, CITY OF SAN DIEGO.

Honorable Chas. F. O'Neill,
Mayor City of San Diego,
San Diego, California.

My dear Mayor:

I read an interview a short time ago that you were opposed to the purchase of the Cuyamaca system on account of the old contracts. It may be that you have been misquoted. It also may be that you do not understand the true situation. The following are the facts:

All the contracts have been legally annulled as far as the rate at which the water shall be paid for is concerned.

If there is any doubt in your mind or of the City Attorney or any member of the City Council, that the contracts have been annulled as far as the contract price of water that the Cuyamaca consumers shall pay, Mr. Sweet will be glad to convince you that such is the fact, if you will give him an opportunity; and even Judge Haines, the attorney for the Cuyamaca consumers, my understanding is, will admit that such is the fact.

The Railroad Commission assumed jurisdiction, and increased materially the rate in excess of the old contract price for water. The consumers, according to law, had six months in which to appeal from the decision of the Commission. They failed to take advantage of their right of appeal. Their

EXECUTIVE DEPARTMENT
CITY OF SAN DIEGO, STATE OF CALIFORNIA
CHARLES F. O'NEALL, MAYOR

San Diego, California.
September 22nd, 1914.

Mr. Ed Fletcher,

San Diego, California.

Dear Sir:-

Received your letter of Sept 11th, but have not had time to answer in detail. I wish to state, however, that I do not believe it would be advisable for this City to acquire the Cuyamaca Water Co., as I believe that it would be of more worry and bother than benefit. I believe that we can secure enough water from the San Diego river by means of a dam of our own, without having to acquire the Cuyamaca property.

Yours very truly,

Chas. F. O'Neill

Sept. 25, 1914.

Mayor Chas F. O'Neill,

San Diego, Calif.

My dear Mayor O'Neill:

I am in receipt of yours of the 22nd and contents noted. No one denies but what you are a good business man, and I only have one favor to ask and that is that you go over the Cuyamaca system with me at an early date; we can do it all in one day, if desired. Being a good business man I know that you will not finally make any decision without a thorough investigation in relation to whether or not it is advantageous to purchase the Cuyamaca system or not. Please let me know when you will make this trip and choose your own party.

Yours very truly,

EF:BB

Sept. 28, 1914.

Mayor Chas. F. O'Neill,
San Diego, California.

Dear Sir:

I am in receipt of yours of September 22, and contents noted. Are you aware of the fact that there is only 1,500,000 gallons of water a day that has not been appropriated and can be secured without extensive litigation? This does not take care of evaporation losses.

In other words, the water rights that have been appropriated, including our own, take all the water in the river, and cannot be taken away from us excepting by condemnation proceedings - unless the City of San Diego owns the water in the San Diego River, and wants to enforce its rights. The City of Los Angeles, after spending many hundred thousand dollars in litigation, although they have the self-same right under the old pueblo grants as the City of San Diego, abandoned the very same claims which City Attorney Cosgrove is now trying to maintain.

Our water filings, which we have successfully maintained since 1910, include practically all the San Diego River. We own the El Capitan damsite; also, several dam sites in the mountains.

Now, which is the better thing to do? To go into all this litigation with the Cuyamaca, or buy it on the basis of \$10,000 a month, without the necessity of a bond issue?

One other thing I want particularly to call your attention to. You have a large investment in the Lower Otay dam, and from the San Diego system's present water shed it will not fill up once in ten years. Why not fill it every year? Also, why not raise La Mesa Dam to a height of 100 feet and store a year's supply of water there for the city?

Our system is the lowest possible point in the San Diego River at the diverting Dam from which the water will flow by gravity into Lower Otay Lake or La Mesa Dam.

C. F. O'N.,

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As you can fill Lower Otay Dam every year by flood waters from the San Diego River, why go to the expense of building another dam on the San Diego River and putting in another pipe line? The flume is good for six or eight years yet, for this purpose. We are raising the side boards of the flume, and on December 1st, we will be able to deliver 26,000,000 gallons of water a day to La Mesa during the flood months.

If you put a dam anywhere on the San Diego River below the diverting dam you are getting into all kinds of litigation with the riparian owners below, and in addition to that there is no need of it. It is almost criminal to build a dam below the diverting dam and shut off the water for those valley lands. There is enough water shed below the diverting dam to fill the sands each year, and the riparian owners are not going to kick if the dams are built up in the mountains.

I am positive that the proper thing to do is to raise the diverting dam to about 50 feet more, at a cost of \$200,000; build Boulder Creek Dam up in the mountains, at a cost of \$80,000; and the Conejos Reservoir, at a cost of about \$60,000 more. This is on the South Fork of the San Diego above the level of our flume, and these dams will hold back the flood rushes sufficient to shove a large volume of water daily through into the Lower Otay and La Mesa Dams.

Development of this kind is not going to make any trouble with the riparian owners below, while any dam built at El Capitan or lower down means a pumping proposition or a \$600,000 pipe line. Then again El Capitan on the main San Diego River is a job that you don't appreciate.

I want you, by all means, at an early date, to give me one day and go over the Cuyamaca system. Please set a day when Moddy, Stevenson, and you and I can make the trip. I know that you are absolutely sincere, and all that I ask is a square deal. You have never investigated this property, and it is not fair to me that you should make your final decision until you make a personal investigation, and get the reports of engineers as to how much water there is and who owns it.

With kind personal regards,

Yours very truly,

CUYAMACA WATER COMPANY,

Manager

Feb. 19, 1915.

Hon. Chas. F. O'Neill,
Mayor of City of San Diego,
California.

My dear Mayor:

I have been informed that a letter has been addressed to you, asking what, if any, connection Mr. Rufus Choate had with the City of San Diego, and by what authority did he send any telegram protesting against our Conejos application.

Will you kindly inform me if any action has been taken by you or the Common Council in this matter? An early reply will be appreciated.

Yours very truly,

CUYAMACA WATER COMPANY

Manager.

F-S

CUYAMACA WATER COMPANY
SUCCESSORS TO
THE SAN DIEGO FLUME COMPANY
OFFICE, FLETCHER BUILDING
916 EIGHTH STREET, BETWEEN D AND E
P. O. BOX 1412

ED FLETCHER, MANAGER
LOU B. MATHEWS, SECRETARY
C. HARRITT, SUPERINTENDENT

City of San Diego

SAN DIEGO, CALIFORNIA.

June 2, 1915.

Hon. Chas. F. O'Neill,
San Diego, Calif.

My dear Mr. O'Neill:

Enclosed find letter which I wish you would kindly sign, if it meets with your approval, or if you have any corrections to make do so. All I want is a square deal in this matter. The council meets tomorrow, and I would appreciate it if you would give me a letter today.

I am working for the dear public, as usual, in the matter of the Temecula Canyon cut-off, so can't see you personally.

If I can return the favor at any time don't hesitate to call on me.

Yours very truly,

CUYAMACA WATER COMPANY.

Ed Fletcher

Manager.

F-S

ms.
Dear Sir:- Letter submitted does not agree with my understanding of the controversy, consequently cannot sign same. May find time to drop you a line stating my opinion of same -
Yours very truly
Chas. F. O'Neill
6-2-15-

Ed Fletcher Papers

1870-1955

MSS.81

Box: 20 Folder: 30

General Correspondence - O'Neill, Charles F.



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