

May 22, 1922.

Mr. C. S. Judson,
Bostonia,
San Diego Co., Calif.

My dear Mr. Judson:

At a conference with the city trustees of El Cajon, they have agreed to immediately proceed with the sale of their \$4,000 in bonds for the construction of the highway, as soon as the money is deposited in the Cuyamaca State Bank by the private contributors, and they will immediately thereafter advertise for bids.

Will you kindly make out a check to the Cuyamaca State Bank for your subscription of \$100 and send it to them on the understanding that the money will be returned if for any reason the highway is not built within a reasonable time? We desire to have all of this money in the bank by the first of June.

Yours very truly,

EF:AH

June 2, 1922

Messrs. C. S. Judson and
R. T. Robinson, Jr.,
210 First National Bank Bldg.,
San Diego, Calif.

Gentlemen:

You have given me three or four hours in which to make recommendations relative to the purchase of the Sweetwater System.

Value of System: I am convinced from all records that the system could not be reproduced today for less than \$2,400,000. Unquestionably \$1,700,000 has been put into the system to date, not including interest, and its depreciated value at the present time is approximately \$1,500,000 for its physical properties alone. To reproduce the system today, in order to acquire the riparian rights alone, it would cost \$300,000 or \$400,000 to get the consent of the riparian owners below the dam to the bay. This has been proven by what we have spent in purchasing riparian rights on the Santa Ysabel, San Dieguito and San Luis Rey Rivers.

Referring to the lands within the reservoir site-1029.1 acres: A large share of these lands were condemned 30 years ago, and cost \$200 an acre for lands flooded. The state engineer of California has placed \$250 an acre for the value of the lands flooded as a sales value to the Cardiff Irrigation District, within the Lake Hodges Reservoir site, 1300 acres. The lands flooded by the construction of Warners Dam, in excess of 6,000 acres, the state engineer has fixed a sales value to the proposed San Luis Rey Irrigation District of \$180 an acre. The State Railroad Commission has put valuations from \$150 to \$250 an acre as a value for rate fixing purposes on the lands flooded in the reservoirs of the Cuyamaca System.

I call your attention on Page 12, in the report of the Engineering Department to the California Railroad Commission in Decision No. 7202, Application 5345, as per report of Messrs. Faule and Monett, the Railroad Commission authorized the sale of this Sweetwater System to a new corporation, the Sweetwater Water Corporation, for \$1,450,000. \$1,000,000 being the capital stock of the company and \$450,000 being the face value of the bonds.

Please note that they say in their decision "that the transfer of the above property for the above consideration was upon a stipulation to the effect that the price paid for the transferred property shall never be urged before the Railroad Commission, or other rate fixing bodies, as a measure of value for rate fixing purposes," however, the decision did not make this reservation for sales purposes, and it gives you their idea of the measure of value of the property at that time, for sales purposes.

The Sweetwater Company, as you know, has never paid dividends, but the property is increasing in value, and some day, when a large share of this water is sold for domestic purposes, instead of irrigation purposes, thereby taking the higher rate, and with a much larger source of income, the value of this system will materially increase.

Last year the supply was so close to the demand that the State Railroad Commission refused to allow any further sale of water for irrigating purposes, but I understand that temporarily, at least, that restriction has been removed, owing to the reservoir being full.

There are two ways of developing more water on the Sweetwater System. One is to build the Sweetwater Falls dam; the other is to acquire lands, install pumping plants and pump surplus water from the Sweetwater gravels above the reservoir. From what I know of the situation, it will cost at least \$400,000 to acquire the lands and build the dam at Sweetwater Falls, and the cost of a pipe line, approximately 12 or 14 miles in length, to Sweetwater dam to convey the water, will easily cost \$250,000 more. Then again there is the serious matter of riparian owners to contend with above Sweetwater dam, and below Sweetwater Falls dam, along the Sweetwater River. The acquisition of these riparian rights means a considerable sum of money.

I believe the safest bet for developing any large amount of water is to acquire the lands in the Sweetwater valley above Sweetwater Lake, and for \$200,000 or \$300,000, a first class pumping plant, developing 3 or 4 million gallons of water a day can be installed, and a pipe line built to the dam.

My understanding is that you have certain stocks that will in all probability not pay dividends for 10 years; that they have a possible prospective value of one million dollars; that their prospective cash value is only \$300,000 or \$400,000, possibly \$500,000; that you are in danger at any time of being frozen out by certain re-organization, those Eastern capitalists knowing only too well how to do it. Now, the Sweetwater Water System, ten years

hence is going to be worth a large sum of money. Our population will have doubled and your irrigation supply will rapidly change to domestic with increased revenue each year. The Sweetwater System could not be any source of loss to you. The State Railroad Commission cannot make you put additional money into the system only, possibly, such profit as you may from time to time make in the operation of the system, and if the facts as I stated above are true, I would rather own in fee simple this water system, and take my chances on its value being 2 or 3 million dollars 10 years hence, for I sincerely believe the courts will give you that value, rather than take a chance owning a minority interest in certain stocks which you now hold in an Eastern concern.

My understanding is that bonds are outstanding to the amount of \$425,000; that you are only required to retire \$15,000 in bonds each year for the next ten years, and that you can secure all the common stock of the Sweetwater Water Company in exchange for your interests in the common stock of the Eastern corporation. You are the better judge as to the value of your present securities, but having every confidence in the future development of San Diego, and the fact that water is what makes value, and knowing that the physical properties alone could not be reproduced today under \$2,000,000.00, at least, and from my hasty perusal of the facts and from your statements, I would hesitate a long time before refusing to make the trade.

I shall be glad to cooperate with you in every way possible, and if you make the deal, if I can be of any assistance indirectly, or directly, do not hesitate to call on me.

Yours very sincerely,

EF:KLM

P. S. It is understood that this letter is confidential. I regret that I did not have more time in order to go more fully into the subject.

E.F.

190-1
July 20, 1922.

Mr. C. S. Judson,
First National Bank Bldg.,
San Diego, California.

My dear Mr. Judson:

Answering your inquiry of yesterday, will say the total amount of water sold by the Cuyamaca System for the year 1921 was as follows: Irrigation Water - 98,780,880 Cubic feet, Domestic Water, including sales to the City of San Diego - 128,960,500, making a total of 235,612,200, which equals 1,737,090,000 gallons, or an average of 4,841,300 gallons per day, each and every day of the year 1921.

During the year 1921 we impounded 2,020,716,100 gallons, or an average of 5,612,200 per day, each and every day of the year. Our total sales of water for the year 1921 was \$176,078.92. Our operating expenses were \$78,172.98. The operating expenses should have been less, but we charged into operating expenses a lot of reconstruction or improvement on the flume. The State Railroad Commission say that our operating expenses should be about \$66,000. It has been the policy of this Company to make our operating expenses as high as possible, as a basis of increased rates that will help to put us on a better paying basis. Last year was the first year that the Cuyamaca Water Company was put on a paying basis, and with the growth of the City and suburban section, and with the increased use of water, I believe the Cuyamaca System will in the near future be a valuable property.

If there is any further information that you desire, do not hesitate to call on me for same.

Very sincerely yours,

RP:AH

cc - Mr. R. T. Robinson, Jr.

3220
Front *EA*

190-1
July 22, 1922.

Messrs. Judson & Robinson,
First National Bank Bldg.,
San Diego, Calif.

Gentlemen:

East San Diego has not increased as it should on account of small pipes and inability to get the water. They only used 40 gallons per person last year, while the average is 90 all over California. A new pipeline is now being installed, and East San Diego's demands for domestic water will be almost double another year.

Yours very truly,

RP:AH

190-1

July 22, 1922.

Messrs. Judson & Robinson,
First National Bank Bldg.,
San Diego, Calif.

Gentlemen:

As per your request, inclosed find statement of gross revenue of the Cayamaca Company from the year 1915 to date. You will notice that the year 1921 is slightly higher than the figures we gave you. This is because we only gave you the revenue from the sale of water, but as a matter of fact, we have other revenues, such as fishing, boating, etc.

Also inclosed please find statement of total consumption of water in cubic foot from the year 1915 to 1921, inclusive, showing the continual increase in the number of consumers. You may wonder why the irrigation consumption is somewhat lower now than in 1915 and 1916. The reason is this:- In 1915 under orders of the Railroad Commission we were selling irrigating water to our consumers at 1.5¢ per thousand gallons, wholesale domestic water at 11¢ a thousand gallons, and domestic at 25¢ a thousand gallons. In 1917 the Railroad Commission increased our irrigation rate to 3¢ a thousand gallons, and in 1920 increased it to 5¢ a thousand gallons, and we are now collecting 6¢ a thousand gallons, while the wholesale domestic rate to El Cajon, East San Diego, and La Mesa is 20¢ a thousand gallons up to 100,000 cubic feet, and 15¢ a thousand gallons thereafter.

Water was so cheap in 1915, 1916, and 1917 that everybody used all they wanted and wasted it, but at the now and higher rates they are conserving their water more, and I am glad to see the irrigation demand go down and the domestic demand increase.

Independent of the City of San Diego, our domestic demands have increased in seven years over 100%. In 1915 the domestic use was only 7% or 8% of the total use. In 1921, eliminating the sales to the City of San Diego, the domestic supply had increased to 18% or 20%.

Attached hereto is an exhibit showing the use of water by months and years by the cities of East San Diego, La Mesa, and El Cajon, as per your request. I will be glad to furnish you any additional information.

Yours very truly,

EF:AH

190-1

July 26, 1922.

Mr. C. S. Judson,
First National Bank Bldg.,
San Diego, California.

My dear Mr. Judson:

Enclosed find letter from our secretary, Mr. Mathews, also a detailed statement, being an accurate record from our books, showing the advances made by Mr. Murray to be \$654,383.60, and interest \$325,333.46, total \$980,217.06.

Kindly return these at your convenience, after showing them to Mr. Robinson, and please keep this information confidential.

Yours sincerely,

EF:KIM

*Enc - Mr. Mathews' letter of July 8th
sworn to before Areola; also 3 page statement.*

August 1 1922

190-1

Messrs. C. S. Judson and
R. T. Robinson, Jr.,
First National Bank Bldg.,
San Diego, California.

Gentlemen:

Agreeable to our verbal conversation, will say I am desirous of having you associated with me in the matter of the 220 acres, fronting on the ocean, between Del Mar and Cardiff, which I showed you yesterday, and which I control.

I submit you the following propositions for your consideration: I will sell you the property at \$250.00 an acre, approximately 200 to 210 acres, the Santa Fe right of way excluded in determining the acreage, but not county highways. Terms of payment - \$5,000 down, \$15,000 in 60 days, and the balance in two years, with 6% interest on deferred payments, deed and mortgage, or the property can be deeded to a trust company in trust.

A certificate of title will be furnished by a responsible title company, showing the property free and clear of encumbrance, excepting usual rights of way, each party to pay one-half the state and county taxes due and payable next October.

I will guarantee you your investment back, and 6% interest, within 5 years from date.

The property should be immediately sub-divided, but the expense of building the roads and putting the property in shape to sell is very light. No work to be done without your approval in writing, and plans submitted in advance with estimates of cost. The property will be sub-divided in a manner mutually satisfactory, and sold at prices mutually satisfactory. From any sales of property you are to receive your investment back and 6% interest. After that we are to share alike in the net profits.

I will make no charge for my services in the matter of caring for, and sub-division of the property, the only expense being in the matter of commission on sale of the property, to be mutually agreed upon.

190-1

August 5, 1922.

Messrs. Judson & Robinson,
First National Bank Bldg.,
San Diego, California.

Gentlemen:

I received a telegram from my friend in Chicago that he didn't have the money available at the time to go into the purchase of the 200 acres between Del Mar and Cardiff, but I raised the money yesterday, made the necessary payment, and am going ahead with the proposition on my own account.

If either of you are interested in a partnership proposition, or if you would like five, ten, or twenty acres apiece on the west side of the tract or a small tract on the ocean front - anything, I will be very glad to make some arrangement with you in the matter, as I am very anxious to have you identified even in a small way in the development. Arrangements are all made to make the trip next week Thursday, and if you are interested at all, we can look the proposition over and you can have more time to do it on our way home from our Palomar Mountain trip.

Very sincerely yours,

EF:AH

Page Two

If either of you want a few acres for your own benefit and deeded outright to you, this can easily be arranged.

There is only an acre or two of ground out of the whole tract but what is good plow land. This is the cheapest piece of property on the coast, that I know of. We paid \$150 an acre in 1912 for the land to the north, including 100 acres of swamp land, and at \$250 an acre this property is cheaper today than when we bought 10 years ago. Am sure we can all make some money on this proposition.

If you desire to buy only a half interest outright, paying cash within the next 60 or 90 days, I can handle the other half interest, and we can develop it together.

I feel the land on the east of the road should be sub-divided into one and five acre tracts. We are renting the adjoining land for \$50.00 an acre, cash rent, at the present time. There is no question but what I will be able to put water on this land on a basis that is mutually satisfactory, and at an early date. East of the railroad track, this land runs to the top of the hill, giving a wonderful and unobstructed view of the ocean. Each 10 acre tract is an ideal homesite of its own.

I have given a friend of mine in Chicago until today to come in with me on the proposition. If I do not hear from him by wire today, I can give you until noon tomorrow, Wednesday, to let me know whether you are interested or not.

I do not believe any of this property will sell under \$800 to \$1000 an acre and a lot of it in sub-division for \$2,000 to \$3,000 an acre.

I hope we can get together on the proposition.

Very sincerely yours,

EF:KLM

P. S. I can probably arrange for water for this tract thru our proposed irrigation district.

E.F.

August 11, 1922

Mr. C. S. Judson,
c/o R. T. Roginson, Jr.,
First National Bank Bldg.,
San Diego, California.

My dear Mr. Judson:

Enclosed find permit which is explanatory, and Mrs. Judson can use it at any time she desires for herself and party.

It will be necessary to telephone to me for reservations for the cottage.

Also enclosed find instructions to Mr. Detrick relative to my boat at Lake Hodges, all of which is explanatory, and which I am glad to furnish you, for I want my friends to enjoy what I have. It would be well to phone Mr. Detrick before going to Lake Hodges so he may have the boat ready for you. You can make arrangements by phoning him to Bernardo, Pacific Long Distance, - to the Bernardo Store.

With kind personal regards, I am

Sincerely yours,

EF:KLM

August 14, 1922

190-1

Mr. C. S. Judson,
First National Bank Building,
San Diego, California.

My dear Mr. Judson:

Enclosed find copy of letter from the inheritance tax attorney, which is explanatory, also letter from Mr. Harrison, all for your information.

Yours sincerely,

EF:KLM

CHARLES STERLING JUDSON
EL HOGAR
BOSTONIA, CALIFORNIA

August 16, 1922.

Mr. Ed. Fletcher,
216 Eighth Street,
San Diego, California.

My dear Colonel:-

Enclosed find letter from Mr. Mathews
also statement showing the advances made by
Mr. Murray to the Cuyamaca Water Company.

I wish to thank you also for the Complimentary Permissions which you sent me for the fishing and camping privilege on Cuyamaca Lake and for the use of the boat at Lake Hodges. I regret to say that the Johnstons' time is so short that we will be unable to take advantage of these delightful outings but I am sure that from the way they talk and enjoy themselves that they will return in the near future at which time I hope you will join us on more of these trips.

I also received this morning a copy of the report of the run-off for the season up to August 1st of the San Luis Rey and San Diego Rivers etc for which I thank you.

We are leaving tomorrow morning for a motor trip to San Francisco and will be gone for about ten days.

Trusting that you will have some more interesting information by that time and with kind personal regards, I am

Yours sincerely,

C. S. Judson

CSJ DHE
Enc.

August 18, 1922

File 190-1

Mr. C. S. Judson,
First National Bank Building,
San Diego, California.

My dear Mr. Judson:

Answering yours of the 16th, I acknowledge
return of the papers showing the advances by Mr. Murray.

I received a telegram today from the inheritance
tax appraiser, stating that he will be here next Sunday
and something definite will be determined in the near
future.

I hope you will have a real trip to San
Francisco.

Sincerely yours,

EF:KLM

190-1
October 16, 1922

Mr. C. S. Judson,
First National Bank Bldg.,
San Diego, California.

My dear Mr. Judson:

How many acres of actual tillable land have you in your 6,000 acre tract? How many acres are arable and on which water will be applied for all practical purposes?

We should have this information as a check on our own investigations and will be a basis of determining the amount of water that will be needed to supply the tract.

Yours sincerely,

EF:KLM

Sand written to R.E. Harrison

October 19, 1922

Messrs. C. S. Judson and
R. T. Robinson, Jr.,
San Diego, California.

Gentlemen:

In answer to Mr. Judson's request, I submit the following strictly confidential letter for your consideration relative to the proposed plan of consolidating the Cuyamaca and Sweetwater systems, the reasons why it should be done, and the benefits to be accrued.

The present development of the Sweetwater system can very little more than take care of its present consumers. I have a plan of inexpensive development that can increase the supply of water at least two or three thousand acre feet, but the elevation is so low, and it costs so much for pumping, together with the fact that there are so many hundred acres of land that can be irrigated from the Sweetwater system by gravity, included in the cities of Chula Vista, National City, etc. that will need water, together with the growth of the above mentioned communities, it would be a mistake to attempt to divert the water from the Sweetwater system to the lands that Mr. Judson owns, excepting possibly a limited area.

The records show that with no further additions to the Sweetwater dam, there will be no wastage of water over the Sweetwater spillway but 5 years out of 30. The elevation of Sweetwater dam is approximately 220 ft. above sea level; Murray dam 550 ft.; Eucalyptus dam at the end of our flume at La Mesa 620 ft. At slight expense a pipe line can be constructed from Eucalyptus territory at the end of our flume to Sweetwater dam, a distance of roughly 6 miles, and develop some of San Diego's best back country. This pipe line should be of good size, and in the winter can be used to store in Sweetwater dam the surplus waters of the San Diego river which we cannot store in Murray dam. It is also ready for any emergency, and I suppose you are aware that there were three or four years in succession when Sweetwater dam was empty.

The pipe line connecting the Cuyamaca and Sweetwater systems can be used at all times for two purposes - developing the territory between Sweetwater dam and the Cuyamaca connection, also by an extension of three or four miles from

Sweetwater dam, water can be put on 8,000 or 10,000 acres controlled by Harrison and Judson, on a basis that will be worth while from a real estate standpoint.

Attached hereto is a letter from our superintendent, Mr. Harritt, furnishing a lot of facts and figures that will be of interest, and particularly showing that the Cuyamaca System is capable of a large water development that will more than take care of the irrigation of the Harrison and Judson lands.

Again, very few realize the value of our tremendous underground storage of water that can be secured in an emergency thru the El Monte pumping plant owned by the Cuyamaca system, now installed and ready at a moment's notice. We have pumped as high as 5 or 6 million gallons daily. It can be kept up during the irrigating season, for years, and a duplicate plant can be installed for an expense of \$50,000 in 90 days' time in case of emergency, and the water pumped for not to exceed 5 cents a thousand gallons. The Cuyamaca Water Company has secured the right to pump water from the lands below the dam to Lakeside, that might possibly be affected by pumping. The valuable thing is that there are many billion gallons of water in the sands above, with very little land above to irrigate, which makes it impossible for the water to get away from us. It materially increases the value of the Sweetwater system to have a reserve such as the Cuyamaca System can furnish and at an elevation to furnish water by gravity.

The two systems should be under one management for economical operation. I believe \$20,000 to \$25,000 per annum can be saved in operating expenses alone if under one management. I notice that the operating expenses alone for the Sweetwater System for the year 1920, not including the interest on the bonds or depreciation was \$52,837.00. but as to how much of this really went into capital I do not know.

The City of San Diego has paid approximately \$9,000,000 for the development of its present water supply. - This I understand does not include the cost of its distribution system within the city limits - or approximately \$1,000,000 for each million gallons of water delivered at the city limits. I am taking Mr. Savage's estimate of net safe yield, altho our engineer says they have a net safe yield of only approximately 8 million gallons daily.

With the complete development of the Cuyamaca system, including the building of the Fletcher dam, 172 ft. high and the South Fork dam, at a cost not to exceed \$900,000, this would give us 19,000 acre feet per annum according to our superintendent's report, or a net safe yield of between 6 and 7 million gallons daily, not including our pumping possibilities. Based on the city's cost, our Cuyamaca System when this development is made, would be worth \$6,000,000 or \$7,000,000 at least, and our water properties will materially increase in value from year to year, and become a fine interest paying investment.

My hope is that we can control the Sweetwater and Cuyamaca Systems, make some money out of the real estate end of it, have a safe investment and build the combined systems up, permanent construction wherever possible, and hold the property until a valuation is put on it by the courts, - and that valuation will be a very substantial amount, running into the millions. The reproduction cost of our present Cuyamaca systems is approximately \$2,500,000 today and the Sweetwater system must be at least \$1,500,000 or \$2,000,000.

The City of San Diego, according to Mr. Savage, has increased its demand for water this year over 1 million gallons daily. With the removal of the Naval Training Station this fall from San Francisco to San Diego, with the increased development of our Marine Base, etc., together with our normal growth, it is expected that the increase will be at least 2 million gallons daily next year. The average use of water for San Diego during the year 1921 was approximately 10-1/2 million gallons daily. The estimated amount for 1922 is 11-1/2 million gallons; for 1923 - 13 1/2 million gallons. With the city's present net safe yield of 9 million, and 2 million a day from Lake Hodges, making 11 million gallons daily, it is only a question of time when San Diego is going to run dry if they do not make further development, and they are going to get at it in the very near future. There is no question but what they are going into the San Diego river within the next year or two, and start something. There is some talk on the streets that the Cuyamaca System should be purchased next by the city. The question of building El Capitan is practically eliminated. They will either build in Mission Gorge or purchase the Cuyamaca System. Mr. Savage's report will be out in a few days. It will favor Mission Gorge.

In acquiring the Murray estate's 10/12ths interest in the Cuyamaca System, it would include, of course, all the properties that the water company controls, including the Fletcher damsite and reservoir site, so-called, excepting 200 acres that we have not yet acquired but are now condemning in court. It includes all the reservoir site on South Fork which we have acquired from the government. It would include all our riparian rights up and down the river. We have a large share of these rights and no one protested the construction of Fletcher dam before the Water Commission.

As you know, within the last few weeks the State of California has recognized our ownership of all the water of the San Diego River at our point of diversion at the diverting dam, and has given us five years in which to complete the construction of the Fletcher dam, and we have a letter from them that any litigation with the city would act as an estoppel in our favor as regards time limit. The Federal Power Commission has also recognized our ownership of the water, and within the last week has given us permission to use government lands to build our power project on the San Diego river above the diverting dam and below Cuyamaca lake.

I believe that this power project can be financed by the Gas Company on an arrangement mutually satisfactory, whereby we get a revenue, the amount to be decided upon by the State Railroad Commission for the use of the water. But the added advantage is that there is a big saving in our water supply by taking the water out of its natural channels and confining it in cement ditches and pipe lines. There is approximately a 30 percent loss between Cuyamaca Lake and the diverting dam, with a fall of 3500 feet, and eventually two power plants will be installed between the two points above mentioned, and a fine revenue received from the sale of power, as well as a materially increased net safe yield on account of the saving in water.

The flume is in shape, with the exception of 3 miles which should be re-lined in the next two or three years, and has a life of at least 10 years. At the end of that time we ought to plan a permanent re-construction of five miles a year.

Murray dam alone, when full, holds enough water to take care of all the demands on it from La Mesa west for three years. This does not include any demands for water

from the city. I have no fear that the City of San Diego can ever win its suit. Our attorneys absolutely assure us that San Diego was not a pure pueblo, but was a presidio instead, and there was no grant of water except thru a pure pueblo, and there are only two in the state, Los Angeles and Santa Clara.

Then again the question of estoppel comes in. We have had 35 years' undisputed possession and use of this water. The city recognized our ownership and for 8 or 10 years bought water from us. They even passed an official resolution urging the construction of the Fletcher dam, so-called, during the war, and it is a cinch they cannot take away from us what water we have diverted and put to beneficial use. The very worst that could happen is the loss of the water that goes over our spillways.

There is no reason why we should not commence the construction of the Fletcher dam at any time, and if the city enjoined us, we could submit a proposition to the people on referendum and beat them out, for we have the sympathy of a large majority of the people in this city in any water development, and we could, as an added inducement, offer to furnish them 2 or 3 million gallons a day at their option, or any surplus we had at 10 cents a hundred cubic feet or 10 cents a thousand gallons delivered at the city limits. This would save the city any added bond issue and I am sure they are sick of voting bonds. One illustration: Mr. Savage, when costs were the highest in 1917-1918, made an estimate of the cost of Barrett dam at \$861,000, to hold 16 billion gallons, and when he got thru Barrett dam only holds 12 billion gallons of water and it cost \$1,650,000.

Again, the cities of East San Diego, El Cajon and La Mesa are going to intervene on the Cuyamaca Water Company's side to protect their present and future supply, and I do not think on referendum the people of San Diego will vote to take water away from their life blood - the back country. There is already talk of a referendum next spring in making the city council withdraw its suit against the Cuyamaca Water Company, and I believe it will carry.

You have seen the original report of the State Engineer of California to the La Mesa Irrigation District, placing a value of \$1,451,850 on the Cuyamaca System dated August 12, 1919. Since that time over \$150,000 has been added to the capital in the improvements and development of the property.

You have seen the sworn statement of our secretary, Mr. Mathews, a copy of which is herewith attached, showing

that the cost of the Murray estate's 10/12ths interest in the Cuyamaca System to date of December 21, 1921 was \$980,217.06; that there has gone into the system in addition nearly \$180,000 or profits, 10/12ths of which is \$150,000, making \$1,130,217.06 as the cost of the Murray estate's interest as of January 1st, 1922. This does not include interest since that date, profit made by the water company or money put into improvements.

I am willing to go to San Francisco and get the best possible offer and terms for the Murray estate's interest. They cannot give title for four or six months in any event.

I am willing to put up my third of the money for the option, but an arrangement would have to be made for you gentlemen to put up the initial payment of \$100,000 or \$150,000, I assuming my one-third of the responsibility in relation thereto, and you to get back your money from the profits of the water company as fast as they are made, plus 6% interest, until you are repaid in full; each of us to have a one-third equity in the Murray estate property. When we pay the \$100,000 or \$150,000 down for the 10/12ths interest, the said interest to be transferred to a title company in trust for all of us. I believe that no further payments would have to be made for 5 or 10 years, the deferred payments bearing 6% interest, and this would give us plenty of time to re-finance both the Sweetwater and Cuyamaca systems and consolidate same. My 1/12th interest in the Cuyamaca system is free and clear of encumbrance.

I believe I can get Mr. C. F. Stern, vice-president of the First National Bank of Los Angeles to buy out Mr. Henshaw's interest and help us in re-financing the whole project, paying off the old bonds on the Sweetwater system and paying off the Murray estate indebtedness. If this were not that advisable, I think that the Murray estate will accept our bonds on the Cuyamaca system for payment on the balance of the indebtedness. I am sure we can get together on a satisfactory valuation of Sweetwater and Cuyamaca Systems for a consolidation later on.

After reading this rambling letter my suggestion is we take immediate action by my going to San Francisco to see what is the best proposition that can be secured in the shape of an option on the Murray estate's interest, getting it in black and white, and then we get together again and see what action if any we desire to take. If you are interested, kindly let me know next Monday, as I am planning to go to San Francisco on that and other matters next Tuesday or Wednesday, and without making any final commitment I will see what can be done.

Yours sincerely,

EF:KLM

that the cost of the Murray estate's 10/12ths interest in the Cuyamaca System to date of December 21, 1921 was \$980,217.06; that there has gone into the system in addition nearly \$180,000 or profits, 10/12ths of which is \$150,000, making \$1,130,217.06 as the cost of the Murray estate's interest as of January 1st, 1922. This does not include interest since that date, profit made by the water company or money put into improvements.

I have, for four months, had the verbal promise of the executor that I shall dispose of the Murray estate's interest providing it is sold within a reasonable time. In fact, I have a definite verbal option, and I am going to San Francisco to get it in writing this coming week, and I will be in a position this coming week to submit you a definite proposition if you are interested. I have two other parties who I believe I can interest, but I prefer to do business with you if you are interested, and would be pleased to know by Monday next if you care to consider a definite proposition.

I own an undivided 1/12th interest in the Cuyamaca System which is free and clear of encumbrance.

I believe I can get Mr. C. F. Stern, vice-president of the First National Bank of Los Angeles to buy out Mr. Henshaw's interest and help us in re-financing the whole project, paying off the old bonds of the Sweetwater system and paying off the Murray estate indebtedness. Mr. Stern was former state superintendent of banks, and will soon be president of the First National Bank of Los Angeles, the bank that has the most deposits of any bank in the state of California. If it were not that advisable to pay off the bonds of the Sweetwater system, I believe the Murray estate would be willing to accept our bonds on the Cuyamaca system for any deferred payments. I feel sure we can get together on a satisfactory valuation of Sweetwater and Cuyamaca systems for a consolidation later on.

Kindly let me know if you are interested.

Yours sincerely,

EF:KLM

October 19, 1922

Messrs. G. S. Judson and
R. T. Robinson, Jr.,
San Diego, California.

Gentlemen:

In answer to Mr. Judson's request, I submit the following strictly confidential letter for your consideration relative to the proposed plan of consolidating the Cuyamaca and Sweetwater systems, the reasons why it should be done, and the benefits to be accrued.

The present development of the Sweetwater system can very little more than take care of its present consumers. I have a plan of inexpensive development that can increase the supply of water at least two or three thousand acre feet, but the elevation is so low, and it costs so much for pumping, together with the fact that there are so many hundred acres of land that can be irrigated from the Sweetwater system by gravity, included in the cities of Chula Vista, National City, etc. that will need water, together with the growth of the above mentioned communities, it would be a mistake to attempt to divert the water from the Sweetwater system to the lands that Mr. Judson owns, excepting possibly a limited area.

The records show that with no further additions to the Sweetwater dam, there will be no wastage of water over the Sweetwater spillway but 5 years out of 30. The elevation of Sweetwater dam is approximately 220 ft. above sea level; Murray dam 550 ft.; Eucalyptus dam at the end of our flume at La Mesa 620 ft. At slight expense a pipe line can be constructed from Eucalyptus territory at the end of our flume to Sweetwater dam, a distance of roughly 6 miles, and develop some of San Diego's best back country. This pipe line should be of good size, and in the winter can be used to store in Sweetwater dam the surplus waters of the San Diego river which we cannot store in Murray dam. It is also ready for any emergency, and I suppose you are aware that there were three or four years in succession when Sweetwater dam was empty.

The pipe line connecting the Cuyamaca and Sweetwater systems can be used at all times for two purposes - developing the territory between Sweetwater dam and the Cuyamaca connection, also by an extension of three or four miles from

-2-

Sweetwater dam, water can be put on 8,000 or 10,000 acres controlled by Harrison and Judson, on a basis that will be worth while from a real estate standpoint.

Attached hereto is a letter from our superintendent, Mr. Harritt, furnishing a lot of facts and figures that will be of interest, and particularly showing that the Cuyamaca System is capable of a large water development that will more than take care of the irrigation of the Harrison and Judson lands.

Again, very few realize the value of our tremendous underground storage of water that can be secured in an emergency thru the El Monte Pumping plant owned by the Cuyamaca system, now installed and ready at a moment's notice. We have pumped as high as 5 or 6 million gallons daily. It can be kept up during the irrigating season, for years, and a duplicate plant can be installed for an expense of \$50,000 in 90 days' time in case of emergency, and the water pumped for not to exceed 5 cents a thousand gallons. The Cuyamaca Water Company has secured the right to pump water from the lands below the pump to Lakeside, that might possibly be affected by pumping. The valuable thing is that there are many billion gallons of water in the sands above, with very little land above to irrigate, which makes it impossible for the water to get away from us. It materially increases the value of the Sweetwater system to have a reserve such as the Cuyamaca System can furnish and at an elevation to furnish water by gravity.

The two systems should be under one management for economical operation. I believe \$20,000 to \$25,000 per annum can be saved in operating expenses alone if under one management. I notice that the operating expenses alone for the Sweetwater System for the year 1920, not including the interest on the bonds or depreciation was \$52,837.00. but as to how much of this really went into capital I do not know.

The City of San Diego has paid approximately \$9,000,000 for the development of its present water supply. - This I understand does not include the cost of its distribution system within the city limits - or approximately \$1,000,000 for each million gallons of water delivered at the city limits. I am taking Mr. Savage's estimate of net safe yield, altho our engineer says they have a net safe yield of only approximately 8 million gallons daily.

With the complete development of the Cuyamaca system, including the building of the Fletcher dam, 172 ft. high and the South Fork dam, at a cost not to exceed \$900,000, this would give us 19,000 acre feet per annum according to our superintendent's report, or a net safe yield of between 6 and 7 million gallons daily, not including our pumping possibilities. Based on the city's cost, our Cuyamaca System when this development is made, would be worth \$6,000,000 or \$7,000,000 at least, and our water properties will materially increase in value from year to year, and become a fine interest paying investment.

My hope is that we can control the Sweetwater and Cuyamaca Systems, make some money out of the real estate end of it, have a safe investment and build the combined systems up, permanent construction wherever possible, and hold the property until a valuation is put on it by the courts, - and that valuation will be a very substantial amount, running into the millions. The reproduction cost of our present Cuyamaca systems is approximately \$2,500,000 today and the Sweetwater system must be at least \$1,500,000 or \$2,000,000.

The City of San Diego, according to Mr. Savage, has increased its demand for water this year over 1 million gallons daily. With the removal of the Naval Training Station this fall from San Francisco to San Diego, with the increased development of our Marine Base, etc., together with our normal growth, it is expected that the increase will be at least 2 million gallons daily next year. The average use of water for San Diego during the year 1921 was approximately 10-1/2 million gallons daily. The estimated amount for 1922 is 11-1/2 million gallons; for 1923 - 13 1/2 million gallons. With the city's present net safe yield of 9 million, and 2 million a day from Lake Hodges, making 11 million gallons daily, it is only a question of time when San Diego is going to run dry if they do not make further development, and they are going to get at it in the very near future. There is no question but what they are going into the San Diego river within the next year or two, and start something. There is some talk on the streets that the Cuyamaca System should be purchased next by the city. The question of building El Capitan is practically eliminated. They will either build in Mission Gorge or purchase the Cuyamaca System. Mr. Savage's report will be out in a few days. It will favor Mission Gorge.

In acquiring the Murray estate's 10/12ths interest in the Cuyamaca System, it would include, of course, all the properties that the water company controls, including the Fletcher damsite and reservoir site, so-called, excepting 200 acres that we have not yet acquired but are now condemning in court. It includes all the reservoir site on South Fork which we have acquired from the government. It would include all our riparian rights up and down the river. We have a large share of these rights and no one protested the construction of Fletcher dam before the Water Commission.

As you know, within the last few weeks the State of California has recognized our ownership of all the water of the San Diego River at our point of diversion at the diverting dam, and has given us five years in which to complete the construction of the Fletcher dam, and we have a letter from them that any litigation with the city would act as an estoppel in our favor as regards time limit. The Federal Power Commission has also recognized our ownership of the water, and within the last week has given us permission to use government lands to build our power project on the San Diego river above the diverting dam and below Cuyamaca lake.

I believe that this power project can be financed by the Gas Company on an arrangement mutually satisfactory, whereby we get a revenue, the amount to be decided upon by the State Railroad Commission for the use of the water. But the added advantage is that there is a big saving in our water supply by taking the water out of its natural channels and confining it in cement ditches and pipe lines. There is approximately a 30 percent loss between Cuyamaca Lake and the diverting dam, with a fall of 3500 feet, and eventually two power plants will be installed between the two points above mentioned, and a fine revenue received from the sale of power, as well as a materially increased net safe yield on account of the saving in water.

The flume is in shape, with the exception of 3 miles which should be re-lined in the next two or three years, and has a life of at least 10 years. At the end of that time we ought to plan a permanent re-construction of five miles a year.

Murray dam alone, when full, holds enough water to take care of all the demands on it from La Mesa west for three years. This does not include any demands for water

from the city. I have no fear that the City of San Diego can ever win its suit. Our attorneys absolutely assure us that San Diego was not a pure pueblo, but was a presidio instead, and there was no grant of water except thru a pure pueblo, and there are only two in the state, Los Angeles and Santa Clara.

Then again the question of estoppel comes in. We have had 35 years' undisputed possession and use of this water. The city recognized our ownership and for 8 or 10 years bought water from us. They even passed an official resolution urging the construction of the Fletcher dam, so-called, during the war, and it is a cinch they cannot take away from us what water we have diverted and put to beneficial use. The very worst that could happen is the loss of the water that goes over our spillways.

There is no reason why we should not commence the construction of the Fletcher dam at any time, and if the city enjoined us, we could submit a proposition to the people on referendum and beat them out, for we have the sympathy of a large majority of the people in this city in any water development, and we could, as an added inducement, offer to furnish them 2 or 3 million gallons a day at their option, or any surplus we had at 10 cents a hundred cubic feet or 10 cents a thousand gallons delivered at the city limits. This would save the city any added bond issue and I am sure they are sick of voting bonds. One illustration: Mr. Savage, when costs were the highest in 1917-1918, made an estimate of the cost of Barrett dam at \$861,000, to hold 16 billion gallons, and when he got thru Barrett dam only holds 12 billion gallons of water and it cost \$1,650,000.

Again, the cities of East San Diego, El Cajon and La Mesa are going to intervene on the Cuyamaca Water Company's side to protect their present and future supply, and I do not think on referendum the people of San Diego will vote to take water away from their life blood - the back country. There is already talk of a referendum next spring in making the city council withdraw its suit against the Cuyamaca Water Company, and I believe it will carry.

You have seen the original report of the State Engineer of California to the La Mesa Irrigation District, placing a value of \$1,451,850 on the Cuyamaca System dated August 12, 1919. Since that time over \$150,000 has been added to the capital in the improvements and development of the property.

You have seen the sworn statement of our secretary, Mr. Mathews, a copy of which is herewith attached, showing

that the cost of the Murray estate's 10/12ths interest in the Cuyamaca System to date of December 21, 1921 was \$980,217.06; that there has gone into the system in addition nearly \$180,000 or profits, 10/12ths of which is \$150,000, making \$1,130,217.06 as the cost of the Murray estate's interest as of January 1st, 1922. This does not include interest since that date, profit made by the water company or money put into improvements.

I have, for four months, had the verbal promise of the executor that I shall dispose of the Murray estate's interest providing it is sold within a reasonable time. In fact, I have a definite verbal option, and I am going to San Francisco to get it in writing this coming week, and I will be in a position this coming week to submit you a definite proposition if you are interested. I have two other parties who I believe I can interest, but I prefer to do business with you if you are interested, and would be pleased to know by Monday next if you care to consider a definite proposition.

I own an undivided 1/12th interest in the Cuyamaca System which is free and clear of encumbrance.

I believe I can get Mr. C. F. Stern, vice-president of the First National Bank of Los Angeles to buy out Mr. Henshaw's interest and help us in re-financing the whole project, paying off the old bonds of the Sweetwater system and paying off the Murray estate indebtedness. Mr. Stern was former state superintendent of banks, and will soon be president of the First National Bank of Los Angeles, the bank that has the most deposits of any bank in the state of California. If it were not that advisable to pay off the bonds of the Sweetwater system, I believe the Murray estate would be willing to accept our bonds on the Cuyamaca system for any deferred payments. I feel sure we can get together on a satisfactory valuation of Sweetwater and Cuyamaca systems for a consolidation later on.

Kindly let me know if you are interested.

Yours sincerely,

ED FLETCHER

EF:KLM

190-1

November EIGHTEEN 1922

Mr. C. S. Judson,
First National Bank Bldg.,
San Diego, California.

My dear Mr. Judson:

Enclosed find copy of report of our engineer,
Mr. King, together with copy of my letter to Mr. White,
all of which is explanatory and confidential.

Yours sincerely,

EF:KLM

cc- Mr. Robinson

Nov. 18, 1922

File 190-1

Mr. C. S. Judson,
First National Bank Bldg.,
San Diego, Calif.

My dear Mr. Judson:

Enclosed find statement showing Mr.
Henshaw's actual cost for his one-twelfth interest
in the Cuyamaca system, for your confidential
information.

Regarding the Supreme Court decision,
The Sweetwater Water Company should be grateful, for
we have done your work and it cost the Cuyamaca Company
over \$15,000 the last two years in litigation.

Yours sincerely,

EF:KLM

(Copy)

CHARLES STERLING JUDSON
El Hogar
Bostonia, California

November 20, 1922.

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

Dear Colonel:-

Enclosed herewith please find the figures as requested by Mr. Chas. Stern regarding safe net yield, cost, water furnished and income of the Sweetwater Water Corporation, also Balance Sheet as of December 31, 1921 and Statement of Earnings and Expenses for that year.

I trust that this will give Mr. Stern the information he desires but if he wishes any further information, I will gladly procure the same.

I wish you would please send me a copy of the figures which you send Mr. Stern relative to the Cuyamaca System.

Many thanks for the map which you sent me today, showing water sheds and drainage areas.

Yours very truly,

C. S. JUDSON

CSJ DHH

SWEETWATER WATER CORPORATION

Balance Sheet
December 31st, 1921

ASSETS-

Fixed Capital prior to Jan. 1st, 1913.	1190087.97	
Fixed Capital since Jan. 1st, 1913	<u>247279.90</u>	1446067.87
Cash in Bank	2916.94	
Cash in Office	<u>1000.00</u>	3916.94
ACCOUNTS RECEIVABLE		
Consumers Accounts	4964.91	
Miscellaneous	482.21	
San Diego Lands, Inc.	<u>13078.18</u>	18525.30
MATERIALS & SUPPLIES		11982.76
PREPAID INSURANCE		211.86
CONSTRUCTION WORK IN PROGRESS		102.85
OTHER SUSPENSE		1259.39
MISCELLANEOUS DEDUCTIONS FROM SURPLUS	645.58	
Contra-		
MISCELLANEOUS ADDITIONS TO SURPLUS	<u>107.00</u>	538.58
AMORTIZATION RE-ORGANIZATION EXPENSE		725.00
ACCRUED TAXES		<u>497.14</u>
		<u>1463827.69</u>

LIABILITIES-

CAPITAL STOCK		1000000.00
FIRST MORTGAGE BONDS		420000.00
NOTES PAYABLE		15000.00
ACCOUNTS PAYABLE		
Audited Vouchers	2465.55	
Wages Payable	849.52	
Consumers Deposits	821.70	
Deposits paid in advance	<u>37.56</u>	4171.95
INTEREST ACCRUED		27.08
DEPRECIATION RESERVE		7104.59
RESERVE FOR BAD DEBTS		300.00
CORPORATE SURPLUS ACCOUNT		15108.18
NET GAIN FOR YEAR 1921		<u>22115.91</u>
		<u>1463827.69</u>

SWEETWATER WATER CORPORATION
EARNINGS & EXPENSES
 December, 1920 and December, 1921.

	1921	1920	Increase
INCOME			
Commercial Sales	15208.98	8140.40	5068.58
Industrial Sales	940.68	584.11	356.57
Municipal Hydrant Rentals	166.00	162.00	4.00
Street Sprinkling	---	---	---
Non-Operating Revenues	435.01	1034.94	599.93
	<u>14750.67</u>	<u>9921.45</u>	<u>4829.22</u>
OPERATING EXPENSES			
Non-Operating Deductions	149.88	157.09	7.21
Source of Water Supply	158.96	174.39	15.43
Purification	482.62	142.81	339.81
Distribution	1440.50	2351.05	910.55
Commercial	439.46	246.13	193.33
General Expense	2293.84	1678.43	615.41
Taxes	1553.00	4663.46	3110.46
Depreciation	1666.74	2712.22	1045.48
Interest on Bonds	2175.00	2250.00	75.00
Other Interest	30.08	74.49	44.41
Clearing Accounts	75.31	289.33	214.02
	<u>10465.39</u>	<u>14739.40</u>	<u>4274.01</u>
Net Profit - December 1921	4285.28	4817.95	913.23
	<u>14750.67</u>	<u>9921.45</u>	<u>4829.22</u>

RECAPITULATION EARNINGS & EXPENSES
 Jan. 1st, 1921 to Dec. 31st, 1921

	1921	1920	Increase
INCOME			
Commercial Sales	114121.74	102414.51	11707.23
Industrial Sales	7548.20	6439.67	1108.53
Municipal Hydrant Rentals	2094.00	1964.25	129.75
Street Sprinkling	332.57	439.26	106.69
Non-Operating	6579.54	6154.03	425.51
	<u>130676.05</u>	<u>117411.72</u>	<u>13264.33</u>
OPERATING EXPENSES			
Non-Operating Deductions	2391.71	1447.97	943.74
Source of Water Supply	2441.34	2182.87	258.47
Purification	2063.61	2333.34	269.73
Distribution	15250.99		
" a/c Paving, etc.	1975.16	16845.93	380.22
Commercial	4770.53	3833.09	937.44
General Expense	14715.53		
" R.R. Commission Expense	4314.34	15042.49	3987.38
Taxes	13636.00	12635.60	1000.40
Depreciation	20000.00	21046.36	1046.36
Interest on Bonds	26100.00	27000.00	900.00
Other Interest	900.93	791.03	109.90
	<u>108560.14</u>	<u>103158.68</u>	<u>5401.46</u>
Net Gain to Dec. 31, 1921	22115.91	14253.04	7862.87
	<u>130676.05</u>	<u>117411.72</u>	<u>13264.33</u>

WATER SUPPLY

SAFE NET YIELD

- (a) Developed 5,300 acre feet
 (b) Potential 8,000 to 10,000 acre feet

COST

- (a) Present Value of System
- | | |
|--|----------------|
| (1) Book Value Sept. 30, 1922. | \$1,499,183.99 |
| (2) Replacement Value | 2,500,000.00 |
| (3) Railroad Commission Value for Rate Purposes | 1,300,000.00 |
| (4) Value in terms of units of water delivered at market | ? |
- (b) Cost of contemplated improvements or additions to develop full capacity ?

MARKETS

- (a) Municipal demands over period of years
 (b) Agricultural demands

Note: Report to the Railroad Commission does not segregate domestic from irrigation water used. The estimated domestic water used is a very close approximation. All figures are referred to in cubic feet.

	- 1918 -	- 1919 -	- 1920 -	- 1921 -
Irrigation & Domestic	205,500,000	222,537,000	217,084,100	217,478,000
Power & Manufacturing	20,860,000	10,686,000	5,593,000	4,568,000
Public such as sprinkling, fire service etc.	3,084,000	3,468,000	2,104,000	1,973,000
Estimated Domestic	18,000,000	19,000,000	21,000,000	25,780,000

- (c) Acreage capable of development under system, and cost of such development 8,000 to 10,000 acres

INCOME

Income of Company over period of years, giving both gross and net revenues showing-

	-1921-	-1920-	-1919-	-1918-	-1917-
(a) Net revenue available for interest, dividends, etc.					
Gross Income including Non-operating revenue	130,676.05	117,411.72	107,939.65	99,335.52	86,588.03
Net Income available for Interest, Dividends etc	50,668.73	42,044.07	42,665.59	35,310.01	5,908.96
Net amount of Interest	27,156.56	27,791.03	26,340.84	27,050.09	26,055.84
Balance to Corporate Surplus	23,512.17	14,253.04	16,322.75	8,279.92	20,146.88

- (b) Normal increase in net earnings, etc. 5 years \$8,444.00
 (c) Projected net revenue as full capacity is developed ?

Present condition (statement) of Company, showing

(a) Bonded debt, maturities, etc	\$420,000.00
Maturities Dec. 31, 1922.	15,000.00
(b) Current debts, etc Nov. 13, 1922	
Audited Vouchers	\$1,950.00
Wages Payable	1,800.00
Consumers Deposits	1,090.77

Deposits in advance \$ 37.56
Consumers advance for Construction 1,485.75 \$6,364.08

(c) Taxes, etc
Accrued Taxes (estimated) \$2,942.57

Number of acres of land owned including those flooded 1,636.72 acres

File
199-1

November
Twenty-Second
1 9 2 2

Mr. C. S. Judson,
First National Bank Bldg.,
San Diego, Calif.

My dear Mr. Judson:

I wish to thank you for your letter of November 20th and statement, which will go direct to Mr. Stern with a copy of my report on the Cuyamaca System, as well. I will send you a copy of the Cuyamaca report, only asking that you and Mr. Robinson keep it confidential.

You will be glad to know that we beat the two and a half million dollar bond issue in Arizona.

We are now asking the State Railroad Commission for an increase in rates again, and fighting your battles as usual, as we did in the last case rendered in our favor in the Supreme Court on the question of water rights. I am thinking seriously of sending you people a bill for about \$50,000 for services rendered to date, before you bought the system.

With kind personal regards,

Very sincerely yours,

EF:AH

cc - Mr. Robinson, Jr.

199-1

November 24, 1922.

Messrs. Judson and Robinson, Jr.,
First National Bank Bldg.,
San Diego, Calif.

Gentlemen:

Inclosed herewith find net safe yield report of the Cuyamaca System by our chief engineer, after many months of study, all of which is explanatory. I am ready to stake my money and reputation on this man's report. He has been studying the Cuyamaca situation for many years.

The other reports will be out shortly, and a copy will be sent you.

Yours very truly,

EF:AH

100-1

November 29, 1922.

Messrs. C. S. Judson and
R. T. Robinson, Jr.,
First National Bank Bldg.,
San Diego, Calif.

My dear Sirs:

Enclosed find statement of our superintendent Mr. Harritt, which has been sent to Mr. Stern, re Cuyamaca System; also enclosed find Mr. Harritt's report in the matter of connecting up the Sweetwater and putting water on the Harrison-Judson lands.

I feel sure Mr. Harritt's report on distances is at least 10,000 ft. in excess of the actual measurements. I double-checked it by my automobile both ways, Sweetwater to a connection with the Cuyamaca System. I believe his estimates are high, but preferred to let him make his own report and later on we can check it up and jointly criticize same.

I would like to see you at your convenience, after reading the above reports.

There are five or six thousand acres of land between the Sweetwater and the Cuyamaca Systems that are crying for water, and will give either a land bonus or go a long way toward paying for the cost of any pipe line we might install between Sweetwater and Cuyamaca. In fact,

-2-

Dec. 19, 1922.

I believe we can get either land or a cash bonus sufficient to pay for the entire cost of the pipe line between Sweetwater and Cuyamaca if we are willing to serve water to the land owners at rates established by the commission.

Are you interested in taking over those lands near Grossmont, the Murray property, on some basis that is satisfactory? I would like to show you the boundaries of the property at any time you are ready.

The City of El Cajon is asking me to take over the El Cajon pipe line, and I would like to discuss this matter with you at the same time we go to Grossmont.

Yours sincerely,

EF:KLM

190-1

Mr. C. S. Judson,
First National Bank Building,
San Diego, Calif.

My dear Mr. Judson:

I enclose herewith Decision of the Supreme Court which knocks out all the old water right contracts on the Cuyamaca System. It is Brewer v. Railroad Commission on Page 457, also Brewer vs. Railroad Commission on Page 472. You will find it interesting reading.

Yours truly,

EF:KLM

190-1
December
Twenty-two
1922

Mr. C. S. Judson,
First National Bank Bldg.,
San Diego, California.

My dear Mr. Judson:

Attached hereto is map showing property, marked in red, of what the Murray estate owns excepting a few lots out. The Murray Estate owns approximately 540 acres, including 5 houses. The water system in El Cajon Acres and Murray Hill is owned by the Cuyamaca Company with an obligation to furnish water at rates established by the Railroad Commission.

Of this 540 acres there are approximately 95 acres lying east of the paved highway in El Cajon Valley.

In El Cajon Acres east of the paved highway there are only 6 or 8 small lots sold out. There are only 3 lots sold, Lots 23, 24 and 36 in Murray Hill inside the red lines. The taxes last year on the Murray 540 acres, belonging to the Murray Estate were \$554.32.

The only two pieces of land that should be acquired are those marked "x", totalling 150 acres I will get an option on this property at the very lowest price it can be purchased.

Now the property controlled by Thum and Fletcher is known as the Hawley-Miller tract, as per map hereto attached, total acreage being approximately 1741 acres. It adjoins the Murray Estate property on the north. The taxes last year were \$726.19. Mr. Thum owns an undivided 3/4ths interest in this property and I own an undivided 1/4th interest. If you are interested in the Murray Estate property and this tract, I will be glad to go into it with you in detail.

Yours very truly,

EF:KLM

November 6, 1923.

Mr. C. S. Judson,
First National Bank Bldg.,
San Diego, California.

My dear Judson:

I have tried two or three times to get in touch with you, but unfortunately have failed.

Enclosed find copy of letter from the State Railroad Commission in answer to a letter from them; also copy of my letter to Mr. Gould; also copy of clipping from the San Diego Union of November 3d, giving Mr. Higgins' point of view, representing the city.

It means, according to Higgins, that the first step would be to have the courts decide whether the city would be obligated to furnish any water at all outside the city limits, except to the present consumers, and he also says he did not believe that the City of San Diego could afford to sell water any cheaper than it is now doing, which is 20 cents a thousand gallons for irrigating purposes.

It is about time you people out in that country wake up and acquire the Cuyamaca System. With the irrigation district now organized we would be willing to put 1500 acres more in the district, if desired, and you better take some initiative soon.

I would be glad to talk this matter over with you at any time that is convenient, as well as one or two other matters of mutual interest.

Yours sincerely,

EF:KLM

CHARLES STERLING JUDSON
EL HOGAI
BOSTONIA, CALIFORNIA

December 7, 1923.

190-1
Col. Ed. Fletcher,
San Diego,
California.

Dear Colonel:-

This will express my agreement with you that I will pay you 2 1/2% commission on the \$35,000. purchase price of the Helena Reservoir Lands, such payment to be made only out of the second \$5,000. to be made by the Cuyamaca Water Company on its contract of purchase with me.

Very truly yours,

C. S. Judson

PST DHN

50.00
82.50
417.50

Ed Fletcher Papers

1870-1955

MSS.81

Box: 14 Folder: 12

General Correspondence - Judson, Charles Sterling



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