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FEDERAL EMERGENCY ADMINISTRATION  
OF PUBLIC WORKS  
WASHINGTON

AIR MAIL

October 12, 1938

Mr. C. E. Lamb, President  
Fallbrook Public Utility District  
Fallbrook, California.

My dear Mr. Lamb:

In the great rush of disposition of the vast accumulation of important administrative matters prior to his departure for the west, the Secretary of the Interior was unable personally to answer your communication of October 8. He referred it to me for reply.

With reference to the status of the two applications mentioned in your telegram, I wish to inform you that the Fallbrook Public Utility District Application, P.W.A. Docket No. Calif. 1868, has been recommended for disapproval for financial reasons.

The Fallbrook High School Application, P.W.A. Docket No. Calif. 1881 has been recommended for disapproval. The difficulties and complications, chiefly legal, in the way of resorting to the leasing arrangements, are such that, we prefer to continue the policy under which we have previously operated, that is, to aid public bodies in financing the construction of eligible public works projects by making grants or loans and grants, all loans to bear interest at 4 per cent per annum and to be repaid in accordance with the maturity requirements of applicable state law, and grants to be in an amount not exceeding 45 per cent of the project cost. In any case, whether a loan is made by the Administration or whether the sponsor of the project supplies funds from other sources, the Act requires that not less than 55 per cent of the cost of the project shall be borne by the sponsor, as it is not the policy of this Administration to finance non-Federal projects on a lease plan basis.

If you desire to submit additional data in connection with these applications, these data will be given such consideration as circumstances permit. However, even if, after consideration of the data, favorable recommendations are made by the examining divisions on these applications, no assurance can be given that allotments would be forthcoming since the State of California has received its equitable and fair share of funds when considered with other states.

Just before his departure last Sunday, the Secretary asked me to express to you his sincere appreciation for your invitation to stop at Fallbrook. However, on account of his itinerary being so closely drawn, I fear that he cannot deviate from it, even though he would like to do so.

Sincerely yours,  
(Sgd) W. Bruce Macnamee  
Special Assistant to the Administrator

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Airmail - Special Delivery

October 21, 1938

Mr. W. Bruce Macnamee  
Special Assistant to Administrator  
Federal Emergency Administration of Public Works  
Washington, D. C.

Reference: P.W.A. Docket, Calif. No. 1868;  
Application for Grant - Fallbrook  
Public Utility District, Fall-  
brook, California.

My dear Mr. Macnamee:

Again confirming receipt of your air mail letter of October 12, 1938, which reached me Friday, October 14th, and also referring to my telegram to you of October 17th, which was written in behalf of all of the Directors of our Public Utility District, I am now submitting to you direct the additional data mentioned in my telegram. We appreciate particularly the paragraph in your letter of the 12th instant in which you say that if we desire to forward any additional data in connection with this application it will be given consideration. We should like to emphasize again, as we have attempted to in our application, and in our supporting data, that ours is a public utility district water project, the water being urgently required for domestic and other public utility purposes. It is a comparatively small project, the total cost amounting to \$138,919 and the 45% grant applied for amounting to \$62,514. Our Public Utility District is not a new venture and has supplied water for domestic and other purposes to the town of Fallbrook and to the immediate vicinity since 1922. The project does not possess any speculative or promotional features. We are very sure that the investigation by your Departments must have established the fact that this project deals with a vital necessity and belongs in the first rank of projects coming before you from the standpoint of economic justification and public necessity. It was for this reason particularly that we felt sure our project would stand up in comparison with other projects in California and would not fall by the wayside.

We, of course, appreciate that there are more applications coming to you than there is money to meet their costs. We are also aware of the unavoidable fact that applications from a relatively small community, with little money to spend on personal representation in San Francisco and Washington have hard sledding in comparison with projects pressed by large communities and involving much more money.

But we have taken the statements of the officers in your San Francisco Regional Office at their face value that representation in Washington was not required and that our application would be considered strictly on its merits.

We will, therefore, once more state to you the essential elements of our project and the new circumstances that have arisen since the filing of our original and supplemented application. These new factors will, we believe, strengthen our original application. We are doing this with the request that you will give these facts such careful and sympathetic consideration as they deserve and that you will reconsider the recommended "Disapproval for financial reasons." In our telegram of the 17th instant we requested that you let us know what these "financial reasons" are, so that we can remedy any deficiency on that score, if there be any.

We respectfully request that you reconsider and grant our application for the following reasons:

1. Our original application was filed in San Francisco on June 22, 1933. It was thoroughly checked in the San Francisco office, and our engineer supplied, promptly and completely, whatever additional data was asked for. We were informed in San Francisco that after thorough investigation by your Engineering Division, the Finance Division and the Legal Division our application was forwarded to the Washington office with favorable recommendation by all three of these divisions.

2. After this application had been forwarded to Washington an unfortunate occurrence took place. We learned through the press that our application, together with several other Southern California applications, had been suspended and the Administrator had directed that action be withheld on these applications because a lobbyist, one Glenn E. Miller, had represented himself in Washington as acting in behalf of this application. We immediately wired the Administrator, and similarly notified the Regional Office in San Francisco, that Glenn E. Miller did not have, and never had had, any connection with this application or with the Fallbrook Public Utility District. A representative of the P.W.A. office came to Fallbrook and checked into the situation and declared himself satisfied with the statements and affidavits we filed with the P.W.A. office in Washington during July of this year. We have, nevertheless, been disturbed that this unfortunate incident, so entirely beyond our control, may have had an adverse influence upon sympathetic consideration in Washington of our application. In view of the contents of your letter of the 12th instant we fear that this uneasiness was justified and that the Miller episode may well have been an element weighing against us. If this surmise is correct, all we can do is again assure you that no lobbyist, Miller or any other, has had anything to do with our application and that we were satisfied to let it be acted upon in San Francisco and in Washington strictly on its own merits.

3. We did ask Senator W. G. McAdoo, who has taken a long-standing interest in our difficult water problems, to endorse our application if he was inclined to do so and was satisfied that, in comparison with other P.W.A. projects, ours deserved special or preferred consideration. He wrote us on August 31, 1933, as follows:

"As I telegraphed you on August 15th, I, at the same time sent a radiogram to the Works Progress Administration at Washington urging prompt action on the Works Progress Administration application of the Fallbrook Public Utility District (California 1868).

I now have a reply from the Works Progress Administration in Washington, copy of which I enclose. As this indicates that the application had not been received in Washington on the date of the letter, I took the matter up with the Regional office in San Francisco, and have just received a telegram stating that your project was approved by the Regional Office, and sent to Washington on August 24th. It has obviously crossed the letter from the Washington office in the mails. As soon as I have further word, I shall let you know.

With best wishes, I am,

Sincerely yours

(Sgd) W. G. McAdoo

Mr. C. E. Lamb, President  
Fallbrook Utilities District  
Fallbrook, California"

We are making reference in this communication to Senator McAdoo's letter for two reasons: first, it will indicate to you that he was familiar and genuinely interested in our project and that it had his approval, and second, that we could not understand why on August 24th our application had not yet reached your Washington office when we were notified that it had been approved by the Regional Office and forwarded to Washington in the latter part of July. At that time we were disturbed by this discrepancy but did not think the matter of sufficient moment to investigate further.

4. More recently, on October 5, 1933, our Board of Directors and our engineers, Messrs. Chase and Sachse, went to San Diego and discussed this project and our application, and the vital need of our District for water, with the Hon. Ed. V. Izac, Member of Congress, from San Diego. Mr. Izac, as was Mr. McAdoo, is intimately familiar with our water situation and the genuine need for the additional water supply for which a 45% grant is asked in our application. He told us that he was glad to do everything he possibly could to assist us in obtaining this grant, although, of course, he had no power or authority in P.W.A. matters except the privilege of recommendation and the right of calling attention to the real public necessity and economic justification of various projects. On October 6, 1933, he wired Mr. Snyder, California Expeditor of P.W.A., in Washington, as follows:

"RE PWA PROJECT CALIFORNIA 1868 FOR FALLBROOK PUBLIC UTILITY DISTRICT REQUEST YOUR AID IN EXPEDITING APPROVAL THIS PROJECT AT EARLIEST MOMENT TO PERMIT THEM TO PROCEED WITH WATER PROJECTS WITHOUT WHICH THE NEEDS

OF THE DISTRICT CANNOT BE SUPPLIED. BELIEVE IT TO BE A MOST WORTHY PROJECT. REGARDS.

ED. V. IZAC  
M. C."

It may be that the endorsement of October 6th was not before you when on October 12th you wrote us that our application had been "recommended for disapproval for financial reasons."

5. In our original application we stated that the Fallbrook Public Utility District was in the process of incorporating within the District certain additional and adjoining territory. This incorporation of the District required annexation proceedings according to the California statutes. All of these legal steps have now been completed. The additional land that has come into the District amounts to not quite 4,000 acres with approximately 200 population. The entire ownership and population of this additional area voluntarily joined the existing Public Utility District and there was not a single dissenting vote in the annexation proceedings. It is a fact, therefore, that at the present time, not only are the water-users of the original District in urgent need of additional water, but the enlarged District, and particularly the annexed portion, is entirely dependent on the contemplated additional supply from the San Luis Rey River, as set forth in the application.

6. In the original application we further set forth the status of the District's application for the additional water supply from the San Luis Rey River. Since the filing of the application, a definite permit has been issued by the State Division of Water Resources allocating to our District an amount of 2,500 acre feet of water from the San Luis Rey River, with an additional amount of water, when required and available, up to a total of 5,000 acre feet. To this said water permit there are certain conditions attached. The District is readily capable of complying with all of those conditions except the most important one, and the one depending upon the granting of this application, namely, viz: the water permit requires that construction of the pumping plant and the transmission pipeline must promptly be begun and completed. Under California law our Public Utilities District can incur indebtedness for public utility purposes only to the extent of 20 per cent of the assessed District valuation. Without the requested 45 per cent grant from the Public Works Administration the District will not be able to finance the project. We are, therefore, faced with the possibility that this vital water permit will lapse.

It has taken our community upward of ten years to secure this water and there has been expended in the process what to our small community amounts to a very large amount of money, in excess all together of \$50,000.00.

We may also state in this connection that in our prior efforts to secure additional water from the San Luis Rey River, we have met with consistent and determined opposition from contending claimants for this water, particularly the cities of Oceanside and Carlsbad, California, and certain private landowners. This opposition was based upon the fact largely, that in prior efforts the Fallbrook territory asked for a very much larger amount of water, namely 10,000 acre feet per annum. These conflicting claims of the several applicants for this water have now been

satisfactorily compromised and settled before the State Water Authority, the Department of Water Resources above referred to. There is at the present time no opposition whatever to our District acquiring and making use of this water, all of the former opposition having disappeared, both inside and outside of the District.

Another reason why the immediate water situation is urgent is because of the impending rainy season. The District is anxious to start construction as early as possible. Most important, there exists a real water shortage throughout the District.

7. In your letter of the 12th instant, you make reference to the application of the Fallbrook High School District P.W.A. Racket No. California 1981. You notified us that this project has also been recommended for disapproval. Our community (and this includes the entire population and town of Fallbrook as well as the Public Utility District) gave careful thought to the relative importance of the two projects, the water project and the high school project. The unanimous conclusion was reached, and concurred in by the High School District and by the Principal of our High School, Mr. Potter, that the Water Project was of transcendent and paramount importance and should have precedence over the high school project, notwithstanding the fact that in itself, the high school project unquestionably was also worthy and deserving of assistance. The unanimous opinion of our people is that "Water comes first" and that without additional water the District can not prosper and will, indeed, be doomed to decay.

8. We are unable to understand the reason assigned in your letter of the 12th instant to the recommendation of disapproval of our application - this reason being stated as "financial". An exhaustive study was made both by the District's legal advisor and also by the Legal Department of the P.W.A. Regional Office in San Francisco with reference to the proposed financing of the 55 percent of the District's share of the project cost. There was no question that the proposed financing by the issuance of serial notes was proper and legal as well as economically sound. We have assurance from at least four responsible financial houses and institutions that the serial notes to be issued by the District will promptly be bought, provided the District secures the 45 percent P.W.A. grant.

9. As regards the District's ability to meet operating costs and fixed charges of the Project, we filed a detailed estimate with the San Francisco Regional Office of P.W.A. showing that with an average revenue of \$25.00 per acre foot per month, all expenses, including the amortization of the serial notes, can be met and a small net revenue to the District will be obtained. This estimate was checked by the engineers of your regional office in San Francisco and was found to be reasonable and conservative.

10. On August 25, 1933, Mr. H. A. Gray, Assistant Administrator, wrote that our application "is under active consideration". On the same date additional information was asked for by the Regional Director in San Francisco, and his instructions contained the following language: "In order that plans, specifications and contract documents may be submitted to your Regional Office for examination in time to permit construction to be started at the earliest possible moment; and in any event, not later than January 21, 1939, or such earlier date as may be specified in the Government's offer, the follow-

ing diversions from customary procedure are permitted\* \* \*

We were then instructed to prepare detailed specifications, contracts and other documents and were authorized to include in our Project estimate the additional engineering and legal expense incurred by reason of thus expediting the Project. In accordance with these instructions from the Regional P.W.A. office we prepared and completed such specifications, contracts, plans etc. and incurred this additional expense. We were under the what we believed justified opinion that your office would not have asked for such additional detailed data and for such haste unless our Project was considered worthy of consideration.

11. In conclusion permit us to repeat what we said in our original application under the heading "Necessity and Social Desirability" of the Project:

"It may here be said that this project, from the viewpoint of necessity and social desirability, will stand up, we are sure, under the most thorough scrutiny and investigation. This is a domestic, public and agricultural irrigation water supply project, urgently needed by an old, well developed community of hard working American farmers and workers and business people, of essentially modest means. The project is not a promotional venture and the speculative element is noticeably absent. Without this water development and the completion of this project, the District is bound to suffer serious and increasing loss and its further growth, so deserving on all counts and so certain, if only the available water can be put to its highest use, will inevitably be at an end. An inspection by a representative of your office, which we respectfully invite at the earliest possible moment, will make this clear. This is not a newly made project; it is part of a larger essential public enterprise, but one that cannot be carried through without federal assistance."

May we request that in view of the statements above set forth and the urgent need of P.W.A. assistance in this water Project so vital to the existence of our District, you will reconsider your tentative decision and give further sympathetic consideration to our application?

Respectfully yours

C. E. Lamb  
President, Fallbrook Public Utility District

CEL:m

OFFICERS  
C. E. LAMB, PRESIDENT  
M. D. EINSEL, VICE-PRES.  
N. SAMPLE, SEC. TREAS.

DIRECTORS  
C. E. LAMB  
M. D. EINSEL  
G. F. MAZE

## FALLBROOK PUBLIC UTILITY DISTRICT

FALLBROOK, CALIFORNIA  
San Francisco, Calif.  
October 22, 1938

Hon. Ed Fletcher  
State Senator  
San Diego, California

My dear Senator Fletcher:

Subject: P.W.A. Docket, Calif. No. 1868;  
Application for Grant - Fallbrook  
Public Utility District, Fallbrook, California

I have a telegram this morning from the Board of Directors of the Fallbrook Public Utility District saying that Mr. Kingsbury of the Red Mountain Ranch of Fallbrook had been to see them and shown them a letter from you offering to assist the Public Utility District in the application they have made to the P.W.A. Administration in Washington D. C. asking for a 45 percent grant (amounting to \$62,514.00) to assist in the construction of the Fallbrook San Luis Rey water project.

Let me say that I am very happy to hear of your willingness to take an active interest in this matter. I know very well that if anybody can assist Fallbrook in getting that Federal assistance, you can. If I had had my way about it, I should have taken this up with you some time ago and believe we would have been further along by now.

You, I realize, are familiar with the Fallbrook application. But in order that you may have the story before you, up to the present date, I am sending you attached, the following papers, (1), (2), (3), (4), (5):

(1) Copy of my memorandum dated October 4, 1938, to Hon. E. V. Izac, San Diego, consisting of 5 sheets.

(2) Copy of Mr. Izac's telegram to Hon. Snyder, California Expeditor, P. W. A., Washington, D.C., dated October 6.

(3) Copy of letter of W. Bruce Macnamee, Special Assistant to Administrator, Federal Emergency Administration of Public Works, Washington, D. C., addressed to Mr. C. E. Lamb, President Fallbrook Public Utility District dated October 12, 1938.

(4) Copy of C. E. Lamb letter to Mr. Macnamee dated October 21, 1938.

Page 2.

(5) Copy of my letter of today to Mr. Ed. Hiatt, State Engineer, Sacramento (without enclosures).

These papers I am sure sufficiently explain the present situation. I do not think you care to have a complete copy of our P.W.A. application; it is quite a bulky file.

As you know, I have some experience with applications of this kind, although not as much experience as you have. It is very clear to me that what we need is the vigorous endorsement of men, known and influential in Washington, such as yourself and Mr. Hiatt. There is no doubt in my mind that on its merits this Fallbrook project outranks many P.W.A. projects which have been favorably acted upon and for which grants have been made, in California and elsewhere in the United States. But mere merit is not enough. Fallbrook is a small community and it doesn't have much of a show in comparison with politically powerful cities and districts.

At the same time, I have the strong personal conviction that the making of this relatively small grant and the carrying forward of this small Fallbrook project (which will allow the taking of only 900 acre feet of water from the San Luis Rey underground supply) will be the opening wedge to the larger San Luis Rey development in which we are all so much interested.

The recent allocation of the available water by Mr. Conklin apparently has reasonably satisfied the conflicting Oceanside, Carlsbad and Fallbrook interests. While none of them has gotten as much water as they wanted and thought they were entitled to, nevertheless Mr. Conklin's apportionment is accepted as fair and reasonable. Out of this state of things, I feel there can now develop real cooperative action on the part of all concerned, and it may be we can get somewhere with a ~~large~~ storage project in the Bonsal Basin. The 900 acre feet of water that Fallbrook wants to take from that Basin in order to meet its immediate, and as you know, urgent and real needs, certainly is no undue diversion.

Will you do me the favor, my dear Senator, and let me know what you can do to assist the Fallbrook Public Utility District in this matter and what, in your opinion, the prospects are of getting somewhere?

Kindest personal regards and hoping to see you soon, I am,

Sincerely yours,

Richard Sachse  
Consulting Engineer

215 W. 6th St.  
Los Angeles, Calif.

RS:m

5 Enclosures

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

1201-S

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

# WESTERN UNION

R. B. WHITE  
PRESIDENT

NEWCOMB CARLTON  
CHAIRMAN OF THE BOARD

J. C. WILLEVER  
FIRST VICE-PRESIDENT

SYMBOLS

DL = Day Letter  
NM = Night Message  
NL = Night Letter  
LC = Deferred Cable  
NLT = Cable Night Letter  
Ship Radiogram

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

Received at 341 Plaza, San Diego, Calif. Always Telephone Main 2151

1938 OCT 22 AM 5 40

SA30 75 NL 6 EXTRA=OCEANSIDE CALIF 21

SENATOR ED FLETCHER=

335 WALNUT ST SANDIEGO CALIF=

YOUR LETTER KINGSBURY MUCH APPRECIATED. WILL YOU CONTACT RICHARD SACHSE OUR CONSULTING ENGINEER HOTEL CLIFT SANFRANCISCO. SACHSE HAS FULL POWER TO ACT IZAC VERY COOL TO US ICKES AND WASHINGTON DC HAVE BEEN CONTACTED WITHOUT RESULTS IMPLORE YOUR AID DETERMINING DENIAL OUR PERMIT CALIF.

1868 SEEMS TO BE FINANCIAL THIS IS OUR STRONGEST POINT DIRECTORS WOULD WELCOME CONTACT WITH YOU WIRE OR PHONE ME ARRANGEMENTS YOU WISH TO MAKE=

C E LAMB PRESIDENT FALLBROOK PUBLIC UTILITY DIST  
FALLBROOK CALIF.

THERE IS NO DEPENDABLE SUBSTITUTE FOR WESTERN UNION TIME

Maddie  
Enigma  
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Projects Dept  
Mr Decker  
Cal 156

actually  
considered  
Washington

H. A Gray  
Asst Administrator  
Washington

NOV 2 1938

October 24, 1938  
Dict. 10/22/38

Mr. C.E. Lamb, President  
Fallbrook Public Utilities  
Fallbrook, California

My dear Mr. Lamb:

Thanks for your telegram. I was supposed to have all the information in relation thereto but have received none as yet.

I will be in San Francisco Monday and will see Mr. Sachse and get a line on the situation and report later.

With kind personal regards,

Sincerely yours,

EF/jv

San Francisco, October 24, 1938.

Mr. C. E. Lamb,  
President Fallbrook Utilities District,  
Fallbrook, California.

Dear Sir:

Answering your telegram of the 22nd, I arrived in San Francisco this morning and immediately tried to locate Mr. Sachse at the Hotel Clift, but he was out of town for the day. I invited him to have dinner with me tonight at six, and hope to see him before I leave at eight tonight.

I immediately got in touch with the Engineering Department of the PWA, Mr. Madden. He said his department had approved the project, Cal. 1868,

I then contacted Mr. K. M. Decker, Regional Expediter, and he informed me that everything had been approved and was in Washington; so Mr. Sachse sure did his part here.

I saw Mr. Eckes personally when he was in the Imperial Valley but he said he had no knowledge of the matter and for me to contact H. A. Gray, Asst. Administrator, Washington, D. C. I had to do this through Senator Johnson and Congressman Isaacs. I am also having my personal friend a member of RFC contact Mr. Gray.

Please keep this letter confidential, and I will do everything I can to expedite matters and bring it to an early and successful conclusion.

I hope to see or have a talk with State Engineer, Mr. Hyatt, before I return.

Kindest regards,

Sincerely yours,

P.S. Have talked with Ed Hyatt. He just received a letter from Mr. Sachse and Hyatt says he has written you full instructions and what to do, and Mr. Sachse should get busy and present additional facts to Washington. I will also follow the matter through my connections.

October 27, 1938

Mr. C.E. Lamb, President  
Fallbrook Public Utility District  
Fallbrook, California

Re:-PWA Docket, Calif. #1868

My dear Mr. Lamb:

In confidence I am sending you copy of letter I have written Senator Johnson, also copy of letter to Ed Hyatt, State Engineer - he has a big influence in Washington.

I am bringing pressure to bear and will keep you advised.

Sincerely yours,

EF/jv  
Encl.

Copy

Night Letter

October 27, 1938

W. Bruce Macnamee  
Special Assistant to the Administrator  
Federal Emergency Administration of Public Works  
Washington, D. C.

Re California 1868 Fallbrook Public Utility District. Thanks your letter 20th instant. Please refer to our special delivery air mail letter 21st instant, particularly paragraph eight, mailed before receipt your last letter. We cannot understand and cannot see the force of your objection in second paragraph your letter October 20th referring to financing. Fact is PWA received definite assurance from us on June 28th and 29th of this year that our fifty five per cent of required funds would be definitely available as soon as PWA forty five percent grant was allotted. See exhibits 6 and 7, letters from Bank of America and First National Bank of San Diego in our original application. Subsequently on July 23, 1938, this financial matter was discussed by us with Acting Regional Director J. W. Bournier and Samuel Taylor, PWA Regional Counsel in San Francisco and also with WPA Chief Finance Examiner Wallace Campbell and Assistant Finance Examiner E. W. Oldham. These gentlemen assured us that after careful consideration they were satisfied that financial angle was satisfactory but that it might be of assistance to our District to have additional and perhaps more definite offers from one or two reliable financial institutions declaring their readiness to purchase District serial notes. Chief Finance Examiner Campbell suggested that we secure additional offer to purchase notes and forward such letter to him so that he could refer it to Washington in case that question should arise. We accordingly forwarded on July 27, 1938 to Messrs. Godwin, Regional Director, and Campbell, Chief Finance Examiner, original letters from First National Bank of San Diego and Page, Hubbard and Asche, Los Angeles, assuring us that these financial houses would purchase our notes provided forty five per cent grant was made. Subsequently in September this year we received additional offer to purchase notes from Pacific Company of California. Still further relating to financial aspect and issuance of serial notes as preferable alternative to bond issue our District Legal Counsel Shelley J. Higgins of San Diego on July 28, 1938 in a six page letter addressed to Acting Regional Director Bournier and to Regional Counsel Samuel Taylor went exhaustively into legal and financial aspect explaining why District preferred note issue to more complicated and costly bond issue. Mr. Taylor on August 1st answered Higgins' letter saying he agreed with our counsel and stating Quote I agree with you that a public utility district is not within the inhibition of Article XI Section 18 of the California Constitution. In fact you will find cases supporting this contention collected in an Article of mine on California Low Rent Housing Legislation which appears in the June issue of the Southern California Law Review. The power of the District to issue serial notes without an election is a matter with which the PWA is not directly concerned since the application is one for grant only. As I explained to Sachse when he was here, the project has been approved by this office and the docket has been forwarded to our Central Office. In so far as the PWA is concerned, it is unnecessary for the District to call an election if it is able to obtain its share

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Night Letter  
W. Bruce Macnamee

October 27, 1938

of the cost of the project without an election. All that we require is that its share be available. Your courtesy in analyzing the pertinent statutory provisions is appreciated. Unquote. There has been no question since July of this year of District's legal power, readiness and willingness to make immediately available its fifty five per cent of project cost. In view of these facts which you will be able to confirm in your San Francisco office we feel definitely and strongly that financial objection stated in your letter 20th instant does not apply and cannot in justice or fairness be charged against our application. We again offer to send representative to Washington if necessary. Please excuse this lengthy telegram but we are in desperate situation for reasons stated our letter to you 21st instant and we realize that time is working against us. Anything you can do to clarify situation and clear away what we feel sure are misunderstandings and misconception we shall deeply appreciate. May we add that during last few days we have thoroughly discussed matter with your San Francisco office, with State Engineer of California Edward Hyatt, with State Senator Ed Fletcher, with U.S. Senator Hiram Johnson, with Congressman Ed V. Izac and we have their permission to say that they agree with statements contained in this wire and that they fully endorse and recommend our project. We are sending copy this wire by airmail to H. A. Gray, Assistant Administrator and to San Francisco Regional Office.

C. E. Lamb, President  
Fallbrook Public Utility District  
By - Richard Sachse, Consulting Engineer  
215 West 6th St., Los Angeles.



OFFICERS:  
C. E. Lamb, President  
G. F. Maze, Vice-President  
K. McEvoy, Secretary-treasurer  
John H. Chase, Engineer

## Fallbrook Public Utility District

Fallbrook, California,  
October 29, 1938

DIRECTORS:  
C. E. Lamb  
G. F. Maze  
O. A. Anderson

Senator Ed Fletcher  
335 Walnut Street  
San Diego, California

Dear Ed:

I wish to personally thank you for the efforts you are using to help us in our water development from the San Luis Rey River.


We felt rather dubious about getting the help from the Federal Government that we asked for, but now since you have thrown your hat in the ring for us, we feel very much more encouraged.

Mr. Shelley Higgins, our attorney, Mr. John Chase, our engineer, and Mr. G. F. Maze, one of our Directors, in San Diego yesterday, took the matter of financing our project up with the First National Bank and they are willing to take our bonds for the full amount, par at 4% interest. I feel that when we can put the San Luis Rey River water to a beneficial use here, it will help our end of the county a great deal.

Again I wish to thank you in behalf of our Board and for myself personally.

Yours very truly

Fallbrook Public Utility District

 President

CEL  
km

October 31, 1938

Mr. C.E.Lamb, President  
Fallbrook Public Utility District  
Fallbrook, California

Re:-PFA Docket, Calif. #1868

My dear Mr. Lamb:

Enclosed find copy of letter I have received from Ed Hyatt dated October 27th to Richard Sachse for your information.

Sincerely yours,

EF/jv

P.S:-I am also enclosing letter received from Ed Hyatt of October 29th, also letter from Senator Johnson for your information.

November 1, 1938

Mr. C.E.Lamb, President  
Fallbrook Public Utility District  
Fallbrook, California

My dear Mr. Lamb:

Thanks for your letter of October 29th. I am glad to hear the good news. I assume you have a letter from the First National Bank signed by them which you can send to Washington confirming the agreement to take your Bonds for the full amount, par at 4% interest. It is vital that such a letter be forwarded to Washington.

With kind regards,

Sincerely yours,

EF/jv

November 10, 1938

Hon. Ed V. Izac  
New Postoffice Building  
San Diego, California

Dear Sir:

We have to our credit in the Fallbrook Branch of the Bank of America, \$80,000.00, our part of the financing of our water project. We are sending air mail a certified copy of the deposit to Mr. H. A. Gray, Assistant Administrator, at Washington, asking him to re-open our application No. 1868 for 45% grant.

We would appreciate having you lend us your influence in getting this application for grant reopened for consideration.

We wish to extend to you our congratulations on your election.

Yours very truly

Fallbrook Public Utility District

C. E. Lamb President  
C. E. Lamb *KL*

CEL  
km

cc M. Fletcher

November 14, 1938.

Mr. C. E. Lamb,  
Fallbrook Public Utility District,  
Fallbrook, California.

My dear Mr. Lamb:

I am happy to inform you that I have heard from two sources in response to my telegram and air mail letter that the Fallbrook Public Utility application will be re-opened.

I was also in San Francisco ten days ago and telephoned to Sacramento to Ed Hyatt. He promised me that he would stay on the job and go the limit. From the beginning I have understood that it was a matter of the Fallbrook District being able to finance its end of it. The state engineer and Senator Hiram Johnson are the two men who are on the job helping you in every way they can.

They are the ones who have the influence in Washington. Also a friend of mine, a member of the R. F. C. is helping but he does not want his name mentioned.

Please keep me posted on how things are going.

Yours sincerely,

EF M

OFFICERS:  
C. E. Lamb, President  
G. F. Maze, Vice-President  
K. McEwen, Secretary-treasurer  
John H. Chase, Engineer

## Fallbrook Public Utility District

Fallbrook, California,  
November 25, 1938

DIRECTORS:  
C. E. Lamb  
G. F. Maze  
O. A. Anderson

Senator Ed Fletcher  
1020 Ninth Avenue  
San Diego, California

Dear Senator:

We are enclosing copy of a letter from H. A. Gray, Assistant Administrator at Washington, regarding application for grant Docket. No. Calif. 1868.

The Board of Directors of the Fallbrook Public Utility District are very grateful to you for your efforts in their behalf. We appreciate the time you have spent and the interest you have taken in our application and we are deeply grateful to you.

If there is anything further that the Board of Directors, collectively or individually, might do to secure the approval and allotment of this grant, we would be glad to be informed.

Although this water development will go forward in a small way if the grant is not available, it will be hampered by the lack of funds, and the improvement of this area will be greatly retarded.

Again thanking you for your interest in our affairs, we are

Yours very truly

Fallbrook Public Utility District

C. E. Lamb Board  
O. A. Anderson or  
Geoffrey F. Maze Directors

December 23, 1938

Mr. C.E. Lamb, President  
Fallbrook Public Utility District  
Fallbrook, California

My dear Mr. Lamb:

Congratulations on your PWA financing. I had very favorable reports recently but did not want to encourage you and am glad to see in today's paper that Congressman Izac has confirmed it. If there is any place on earth where water can be put to good advantage with splendid soil, climate and view, it is the Fallbrook section.

Wishing you all much success in your new enterprise, and Many Happy Returns of the New Year, I am

Sincerely yours,

EF/h

**Ed Fletcher Papers**

**1870-1955**

**MSS.81**

**Box: 15 Folder: 21**

**General Correspondence - Lamb, C.E.**



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