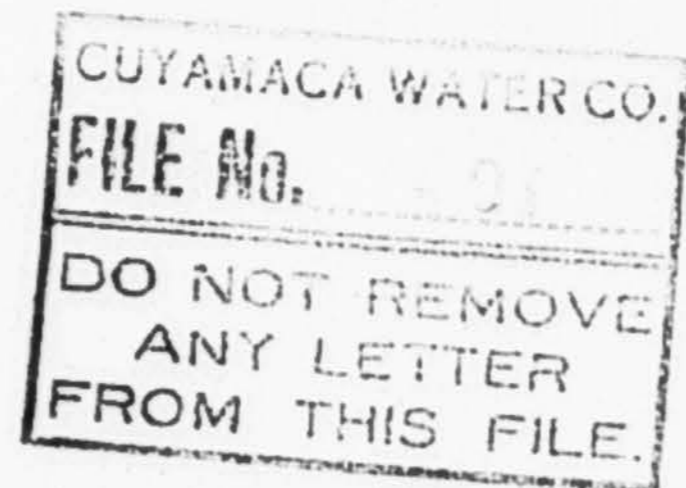


A. H. SWEET  
ATTORNEY-AT-LAW  
303, 304, 305 UNION BUILDING  
SAN DIEGO, CALIFORNIA



San Diego, Cal., Jan. 20th, 1914.

Mr. Lou E. Mathews,

San Diego, Calif.

Dear Sir:-

In re Murray & Fletcher vs. Marshall.

I herewith hand you original summons and copy of same and of complaint. I think you possibly can get the summons served on Marshall more cheaply than I can have it done and as you can have some employee, who is not a party to the suit and who is over the age of twenty-one years, make the service if he is a citizen of the United States. The proof of service can be made out in my office here. The service can be made by leaving the copy of the summons and the copy of the complaint with Marshall personally and the original summons is kept and held by the person making the service to be brought in here so I can have the affidavit of service made out and attached. When the original is to be filed with the Justice. The person serving the summons is, under no circumstances, to give up the original. I would suggest that you have Ellis or Nelson make the service when they are out toward La Mesa.

Truly yours,

A. H. Sweet

AMS-8

*summons made by H. H. Nelson for J. H. Sweet  
3/25/14 for J. H. Sweet*

March 19, 1914.

Mr. F. W. Stearns,  
c/o Byllesby & Company,  
Chicago, Illinois.

My dear Fred:

Just a word to let you know that everything is progressing favorably out here toward the acquisition of the water supply of San Diego County for the city of San Diego. I consider, when this is accomplished, it means more to San Diego city than even an eastern railroad.

Mr Henshaw and I had a nice talk with Mr Osthoff and fully appreciate his friendly attitude. Henshaw is not particularly anxious to sell to the city, but I am, for I believe that I cannot do a greater service for the city than to get the deal consummated. Henshaw has bought 11, 000 acres of land, and sooner or later will form a mutual water company if the deal does not go thru with the city. He has the backing of one of the richest men in New York, and with the water company as an adjunct to the real estate scheme, millions can be made out of the sale of the land. I can make more money this way than I can by helping to sell to the city, but it is for the city's best interests, and for once I am willing to forego part of my profits anyway in the interests of the city. The city could never condemn the water of the Pamo and San Luis Rey Rivers

if a mutual water company is formed. This would mean that the growth of the city would be limited simply to what water could be developed in the San Diego River and to the south. The entire water shed including the San Diego River and to the south will not develop enough water to supply two hundred and fifty thousand people.

I am glad that the Gas Company is taking such a broad view of the matter and is friendly. I have been more than friendly to the Gas Company than you people realize. As you know, ~~Mayor Thum~~ and his brothers are in favor of municipal ownership of public utilities. Mayor Thum is the man that put the electric light plant in Pasadena on a paying basis, selling electricity at 5¢; he consolidated the water companies for municipal ownership; he fought the telephone concerns to a finish and forced consolidation, both in Pomona and Pasadena, and today is helping to force the consolidation of the telephone companies in San Diego.

I tell you frankly that your corporation here has shown good judgment in the way that you have managed things and are deserving of every consideration. I never knew a public service corporation who has treated this or any other town any fairer than the Byllesby people.

When are you coming to the coast? I want to have another talk with you on matters of interest the next time you are here.

With kind personal regards to you and yours,

Very sincerely yours,

FK

May 27, 1915.

Messrs. Stearns & Sweet,  
Union Bldg.,  
San Diego, California.

Gentlemen:

Will you kindly give me, at your earliest convenience, information as to the constitutionality of Senate Bill No. 884, passed at the last session of the Legislature concerning which I have already written you.

Yours very truly,

JME-S

Cuyamaca

SAN DIEGO, CALIFORNIA, May 28, 1915.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Calif.

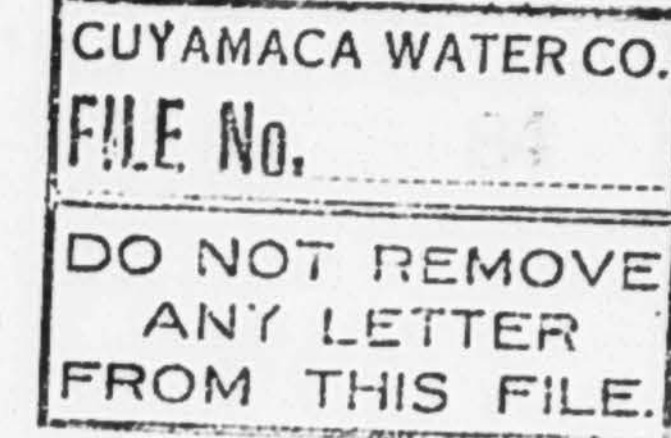
Dear Sir:

Answering your letter of May 24th, regarding Senate Bill No. 884, Mr. Henshaw is anxious to get your opinion as to the constitutionality of this act. Any work that you are doing in connection with Senate Bill No. 884 is to be charged to Mr. Henshaw's account.

Regarding your off-hand opinion that this bond would be included within the 15% limit, I want you to think again. Eshleman does not agree with you, but he also is going to look into it. It will be interesting to get the final opinion from the two giants of the law in the State of California on this important question.

Yours very truly,

F-S



July 19, 1915.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Cal.

Dear Sir:-

I enclose herewith certificate of title to the Kuehner property which will be a portion of the land flooded in the El Capitan Reservoir. This certificate was called for at the conference in your office regarding the claim of the City to the Hamilton filings.

Very truly yours,

Assistant Manager.

WHE-BK

August 2, 1915.

SAN DIEGO, CALIFORNIA, July 26, 1915

CUYAMACA WATER CO. FILE No. 84
DO NOT REMOVE ANY LETTER FROM THIS FILE.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Calif.

Friend Stearns:

Have looked over the protest to the Department of the Interior in the Boone matter.

On Page 3, the moneys expended should be \$400,000, instead of \$100,000.

There are two vital factors, to my notion, that have been omitted. One is as follows: The Hamilton filing is void on the face of it. The filing was made on the Kuehner property, the legal description being as follows:

The SE $\frac{1}{4}$  of the NE $\frac{1}{4}$  of Sec 7; the S $\frac{1}{2}$  of the NW $\frac{1}{4}$  and the SW $\frac{1}{4}$  of the NE $\frac{1}{4}$  of Sec. 8; T 15 S., R 2 E.

When the filing was made, Messrs. Sackett and Hager had an option to purchase the property. Their option to purchase expired, and the property was again put on the market, so we purchased it and paid cash for it. Certainly a water filing by them on our own property, and on which Hamilton never has done a day's work, as required by the law of this state, can hardly be of any value.

Another point that I wish brought out strongly is this: The City of San Diego has taken steps to condemn our property in court. Their acceptance of Hamilton's claims from Boone, free of charge is simply an attempt to cloud the title, belittle the value of our property, and negative any of our claims.

I wish also to have you call attention to the fact that we have made water filings at the same identical point that Hamilton has; have cleared the reservoir site; and have continuously for over a year continued work such as driving two tunnels to bedrock, etc. in the matter of protecting our filings.

Yours very truly,

F-S

P.S. Please correct this morning., send me a copy and mail on this noon's train to Britton & Gray at 1512 H St., Wilkins Bldg., Washington, D. C.

Mr. A. H. Sweet,  
Union Bldg.,  
San Diego, Cal.

Dear Sir:-

Will you please let me know the status of the suit against the Rev. H. A. Marshall brought to collect back water rentals of approximately \$190.00? I believe that suit was started but was afterwards dropped for some reason, but I am unable to find any record in our correspondence files.

Very truly yours,

Assistant Manager.

FMF-BK

CUYAMACA WATER CO. FILE No. 01
DO NOT REMOVE ANY LETTER FROM THIS FILE.

A.H.SWEET  
FREDERIC W. STEARNS  
CHAS. H. FORWARD

SWEET, STEARNS & FORWARD  
ATTORNEYS AND COUNSELORS AT LAW  
301-305 UNION BUILDING  
BROADWAY AND THIRD STREET  
SAN DIEGO, CALIFORNIA

TELEPHONES  
PACIFIC MAIN 63  
HOME 1063

101

(X)

San Diego, Cal. Aug. 3rd, 1915.

Mr. F. M. Faude,

920 Eighth Street,

San Diego, Calif.

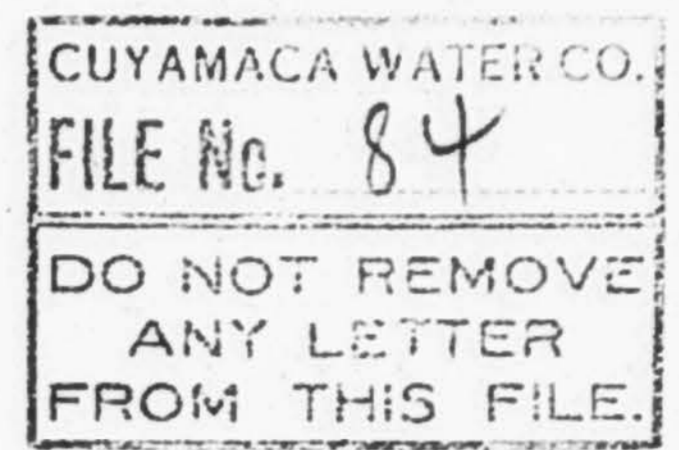
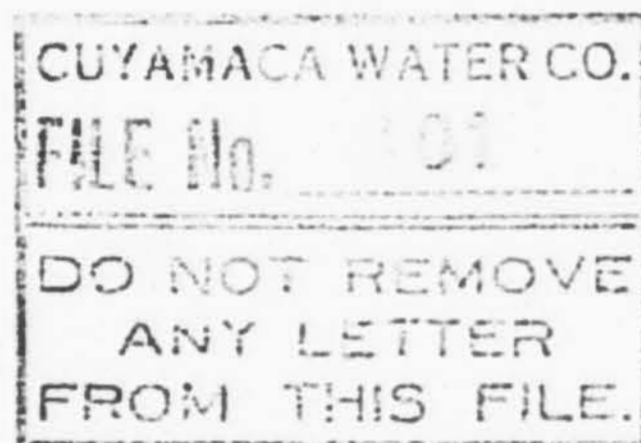
Dear Sir:-

Replying to yours of the 2nd inst. relative to suit against H. A. Marshall, would say: this action was dismissed and nothing has been done since to collect the water rentals from Mr. Marshall. The dismissal was at the direction of Mr. Fletcher.

Truly yours,

*W. H. Beecut*

ARS-S



August 4, 1915.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Calif.

Dear Sir:

In the matter of the City's brief, speaking of the Cuyamaca system, Cosgrove says the system conserves only a very small portion of the entire run-off. I have instructed Mr. Post to insert here the sworn testimony of Lee as to the net safe yield of the San Diego River, which is 800 or 900 inches, I believe, and also insert the present demands on the Cuyamaca system of our present consumers.

Please mention that the damsite and reservoir site sought by the City of San Diego is ours; that said Hamilton when he made his water filing had an option to purchase this El Capitan Dam site, but he allowed his option to expire, and did no work on his water filing; and that we afterwards bought the property, and the property is now ours. If you think best we will furnish a certificate of title showing the property is in our name.

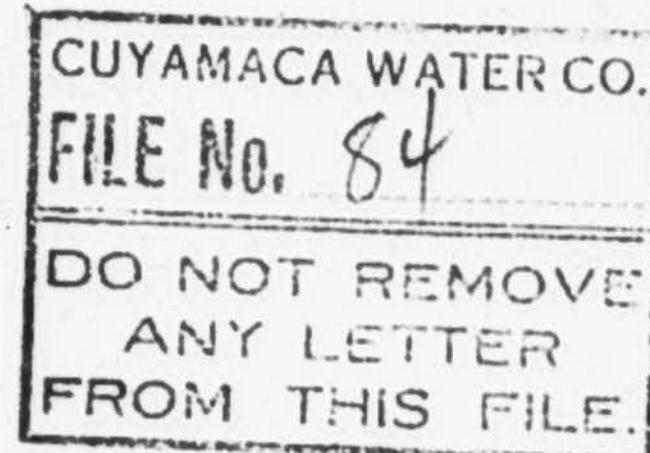
Also, bring in again the fact that on June 1, 1910, the day we bought the system, we filed on all the waters of the San Diego River; also that we have spent \$400,000 perfecting our rights, and have kept continuously at work; that we have increased the capacity of our flume by 12,000,000 gallons daily over and above its old capacity of 10,000,000 gallons.

(POST: Check this up.)

That in addition we have rebuilt the South Fork Diversion Flume,

F. W. S.,

-2-



one and one-half miles long, at an expense of \$20,000 or \$30,000; have raised the Diverting Dam ten feet in height; have built Murray Hill Reservoir; reconstructed our system, etc. and protected our water filings.

When our diversion is complete there will be no excess flood waters; that we would have had the work completed by this time had it not been for the war, panic, etc., making the money hard to get.

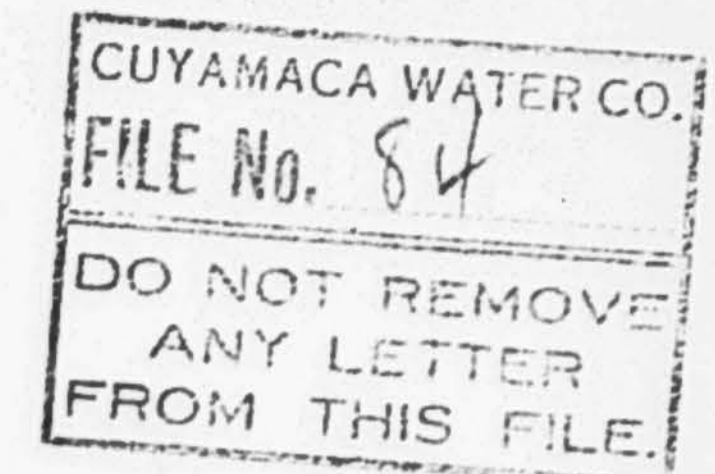
That we have sold this system to the La Mesa, Lemon Grove and Spring Valley Irrigation District; that before selling to the District we made an offer to the City of San Diego to sell this property to them on very easy terms, which offer was rejected, but immediately on our selling to the District, the city started condemnation proceedings in order to block the sale, and by litigation in court are attempting to take the property away from the District.

That if the City of San Diego wants to build a dam on the San Diego River, there are two good sites down the Valley, one at the Mission Dam built by the Mission Fathers, and another one.

Refer to the City of San Diego's claim that this is the only step that can be taken to get additional water; that the city's system is already fully developed, excepting the building of a dam in Mexico, refer them to the San Diego Tribune of August 3, 1915, herewith enclosed, showing that the city has practically decided to build the Barrett Dam, which is in San Diego County -- part of the City system. That in addition to that they have just this last year installed a pumping plant that pumps 5,000,000 gallons of water daily; that with this pumping plant and the present system,

F. W. S.,

-3-



the net safe yield, according to the testimony of Hydraulic Engineer Whitney of the City of San Diego before the Railroad Commission, is eight or ten millions gallons;

(POST: Fill in this data.)

and that the representation of five or six million gallons daily, covering a twenty-year period is incorrect.

Deny that the present city system is in a high degree of efficiency until the Barrett Dam is built, and until pumping plants are put in the Tia Juana River, which is the plan of the city, by which, at a slight expense, 5,000,000 gallons additional can be pumped daily; and state that the city authorities have already taken steps to install pumping plants there.

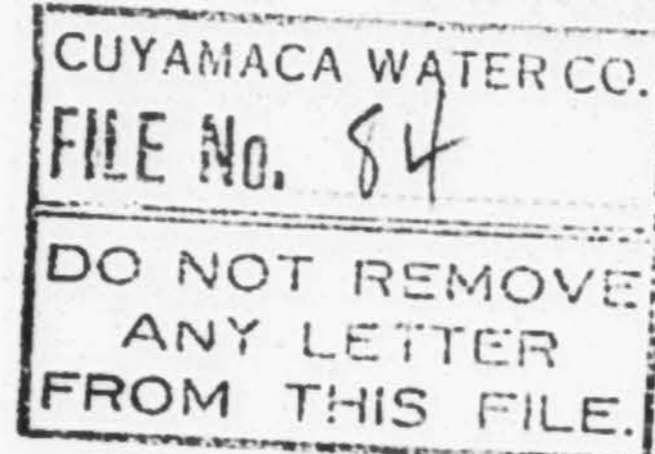
That the statement of the present shortage of water is not evidenced by the facts; that the attached clipping shows there is on hand in the different reservoirs of the city today \_\_\_\_\_ gallons of water; that the annual consumption of the city of San Diego is not to exceed 3,000,000,000 gallons; and that owing to the large supply of water on hand the city is not operating its 5,000,000 gallon a day pumping plant out of the San Diego River at the present time.

Show that the Hamilton water filing is not a prior filing; that our filing was made June 1, 1910, while Hamilton's filing was not made until December 21, 1911.

(POST: Insert a copy of the June 1, 1910 filing, together with an assignment to me; and if necessary let us get a couple of sworn affidavits from Reis, Harritt or Bartl, or I will sign it myself, that we have kept continuously at work protecting our water filing of June 1, 1910.)

F. W. S.,

-4-



Reference should be made to the fact that the City of San Diego has filed application with the Railroad Commission to place a value on the Cuyamaca system, including El Capitan Reservoir site and all rights. The point should be brought out that the City was acting in good faith in making this application to the Railroad Commission, which would have secured the entire system with all the rights to the El Capitan Dam and reservoir sites; and if the city was not acting in good faith in its application to the Railroad Commission, it seems extremely probable that there may be some doubt as to the good faith of the application to the Secretary of the Interior. It seems to me that this point should be elaborated on.

(POST: Include an exhibit filed with the Railroad Commission by the City of San Diego on the 15th day of April this year, that the net safe gravity yield was  $7\frac{1}{2}$  million gallons, with an additional  $2\text{-}3/4$  million gallons by pumping from the San Diego River, or a total of  $10\text{-}3/4$  million gallons a day. I want this as an exhibit.)

(POST: Show also the filling of the 40 inches of water as an exhibit.)

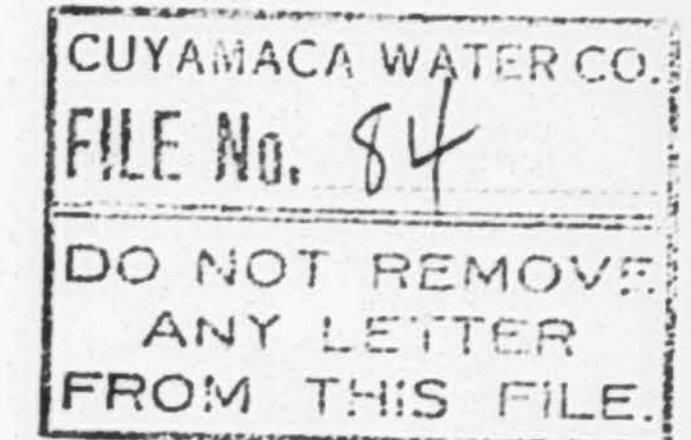
I think, Mr. Stearns, that you should include everything that you have heretofore included in your previous brief.

I think mention should be made that our intention is to build a small dam at El Capitan reservoir, and pump into the flume.

(POST: We should have exhibits of the work that we have done at El Capitan Dam site, showing that we are going ahead in good faith. We already have pictures of the work that we have done at El Capitan. Describe to Mr. Stearns the amount of work already completed by us at the El Capitan Dam site. Mention again particularly that if this dam was built by the city we would be flooded out, as well as all other features.)

F. W. S.,

-5-



(POST: The picture that you want of El Capitan Dam site Tunnel, is No. 36 and also No. 35. It may be advisable to go up there and take some more pictures of it.

Also, put in an exhibit picture No. 44 and 43, showing our new steel flume; No. 38 showing the top of the dam; No. 42 showing our flume raised, and No. 41.

I think we also should mention the fact of ~~what~~ what we are doing at Boulder Creek, showing that we have both the power rights and rights of diversion from the Government; that Boulder Creek eventually runs into the San Diego River, and this part of our conservation plan would be seriously interfered with by the city, and cause endless litigation if the application of Hamilton is approved.

Also show a picture of Murray Hill reservoir lately completed. The number of it is 101; also 102 -- all of the above pictures in the "Volcan Office Copy of Water Pictures" Also include any other pictures that you think should be included as exhibits.

Work on this proposition and nothing else until all the data is put into the hands of Mr. Stearns.

Yours very truly,

F-S

Answer to Fletcher's Charges  
in Water Controversy; Union 9/9/14

and another clipping regarding  
Barrett Dam site, later attached  
by Colonel Fletcher--I do not know which one.

MMS

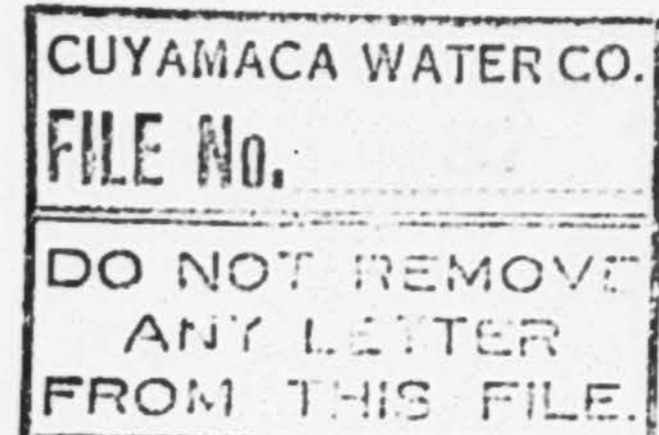
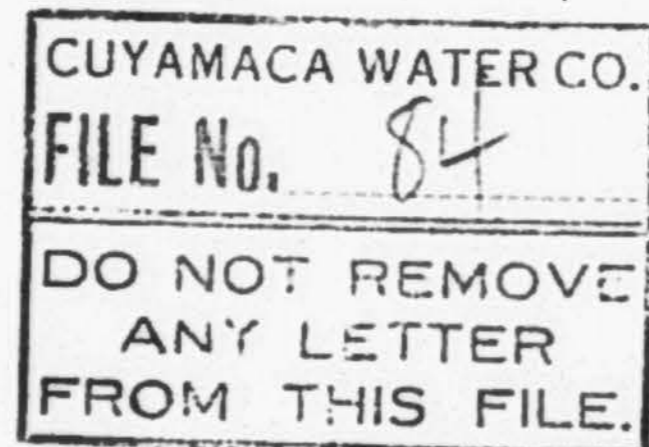
84  
August 13, 1915.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Calif.

Dear Sir:

Enclosed find clipping which you may use  
in the Boone matter.

Yours very truly.



August 20, 1915.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Cal.

Dear Sir:-

I am sending you herewith copy of Resolution No. 18755; Resolution No. 19841, both by the Council of the City of San Diego; copy of letter from Manager of Operations directing that Cuyamaca water be turned into the City mains; also copy of Rates and Rules of the Cuyamaca Water Company approved by the Railroad Commission August 27, 1913.

You will note that Resolution No. 18755 was not certified by the Auditor, it having been the custom each month by the Council to pass an ordinance directing the payment of the Cuyamaca Company's bill for water furnished during the previous month. These last mentioned ordinances were each certified to by the Auditor and payment was made 30 days after date of passing the ordinances.

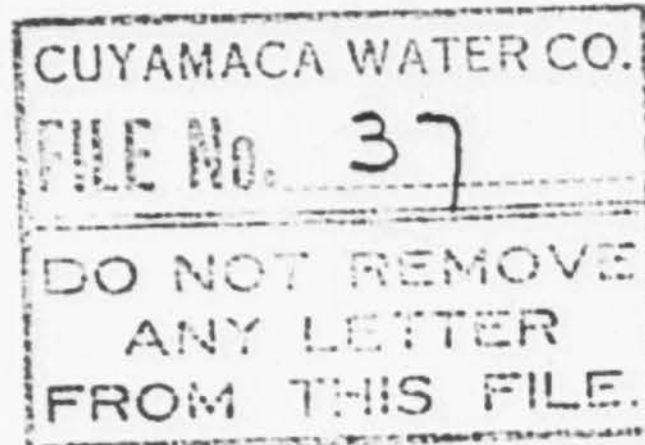
Very truly yours,

Assistant manager.

FMF-BK

Enclos.





December 18, 1915

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Cal.

Dear Sir:-

I had a talk with Mr. Cosgrove this morning regarding the report which the Council directed him to make in connection with the June bill for water furnished the Cuyamaca Company.

Mr. Cosgrove states that the matter has been referred to him but that he has made no investigation of the matter and will not make a report to the Council until after the first of the year. It appears therefore that there is nothing to do but to start suit and Mr. Fletcher has already directed that this be done as soon as we know that the Council will take no action.

The certificate of partnership has been executed by Mr. Murray and Mr. Fletcher and has been mailed to Mr. Henshaw with the request to execute the certificate and return at his earliest convenience. This has not yet been received from Mr. Henshaw, and as I am leaving for Los Angeles Sunday morning to be gone four or five days, I have directed that the people in the office have the original filed for record and deliver the certificate to you as soon as they can secure action from the County Recorder's office. As soon as this is done, will you kindly start publication and some time before the first of the year, start suit against the City. I believe you have all the information regarding this matter that you need.

Very truly yours,

January 3, 1916.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Calif.

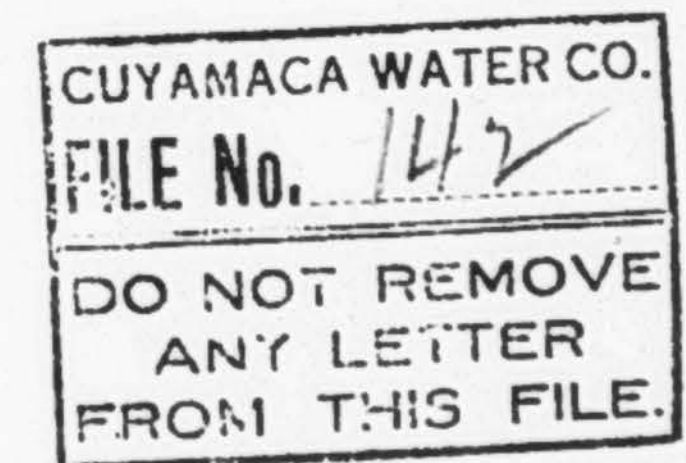
Friend Stearns:

Enclosed find copy of letter from Thelen, which is explanatory. Will you please file the papers, at once, with the State Railroad Commission, asking for increased rates?

Yours very truly,

Manager.

F-S



January 8, 1916.

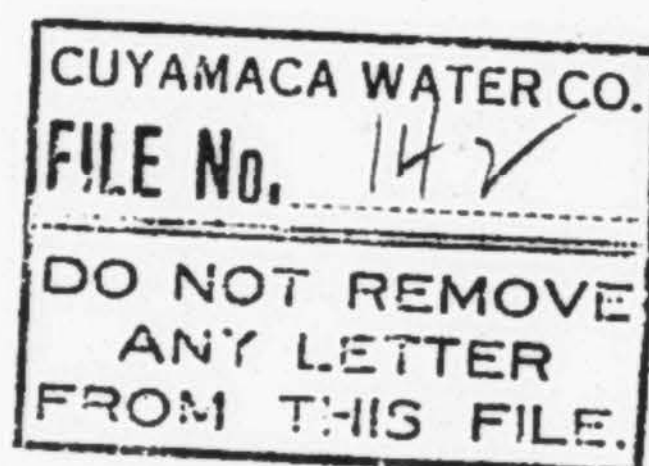
Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Calif.

Dear Sir:

Answering yours of January 3d, please enter an appearance in the case of the Cuyamaca Water Co. -- City of San Diego Contemnation Suit, and get the case dismissed at the earliest possible date.

Yours very truly,

F-S



A. H. SWEET  
FREDERIC W. STEARNS  
CHAS. H. FORWARD

SWEET, STEARNS & FORWARD  
ATTORNEYS AND COUNSELORS AT LAW  
301-305 UNION BUILDING  
BROADWAY AND THIRD STREET  
SAN DIEGO, CALIFORNIA

TELEPHONES  
PACIFIC MAIN 62  
HOME 1063

January 15, 1916.

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

Dear Sir:-

We are in receipt of a letter from the Honorable Max Thelen of the State Railroad Commission, advising us that the hearing on the supplemental application in Application No. 1231 for an order fixing rates for Cuyamaca Water Company has been set down for hearing on February 25th, at ten o'clock A.M. of that day.

Will you kindly notify your Engineering Department so that they may at once get to work and prepare the necessary data for this hearing?

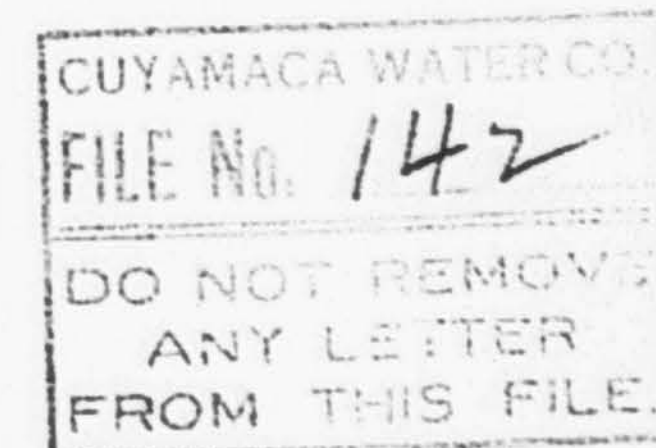
Truly yours,

SWEET, STEARNS & FORWARD.

By

*Frederic W. Stearns*

FWS-W



January 22, 1916.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Calif.

Dear Sir:

Enclosed find copy of letter from the State Railroad Commission, which is explanatory. This shows that there is no reason why we cannot transfer the property and no reason why we can't issue what bonds we want. Will you please read the opinion No. 1130, and then state by letter to me if there is any reason why we cannot transfer the property, or whether or not we would be jeopardizing our interests by accepting \$600,000 in stock for our property. I believe that the opinion clearly states that that is not the value of the property, and since then the commission has put a valuation of \$745,000 on it.

It cost us nearly \$1500 or \$2000 to get the consent of the State Railroad Commission to transfer the property, and I don't want to go through it again if we can help it, and those sons of guns out there -- the consumers, including Gordon.--, will fight it harder than ever.

Yours very truly,

CUYAMACA WATER COMPANY,

Manager.

CUYAMACA WATER CO.  
FILE No. 142  
DO NOT REMOVE  
ANY LETTER  
FROM THIS FILE.

A. H. SWEET  
FREDERIC W. STEARNS  
GRAS II FORWARD

SWEET, STEARNS & FORWARD  
ATTORNEYS AND COUNSELORS AT LAW  
301-305 UNION BUILDING  
BROADWAY AND THIRD STREET  
SAN DIEGO, CALIFORNIA

TELEPHONES  
PACIFIC MAIN 62  
HOME 1163

January 25, 1916.

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

Dear Sir:-

RE: SALE TO CUYAMACA WATER COMPANY, A CORPORATION.

I am in receipt of your favor of January 22nd, enclosing letter from the State Railroad Commission.

I have carefully read and considered the opinion in application No. 1130 and replying to your letter would state:

First: The order made in application No. 1130, which order is dated June 24, 1914, does not impose any time limit within which the transfer of the property to the Cuyamaca Water Company, a corporation, should be made, and therefore, so far as that part of it is concerned there seems to be no reason why the transfer cannot be made at this time.

Second: Said order allowed the transfer to be made in consideration of the issuance of \$500,000 par value of stock to Mr. Murray and \$100,000 par value to yourself. The order further says, "the stock herein authorized to be issued shall not be taken, before this Commission or any other public authority, as representing, for rate fixing purposes, the actual value of the property."

It is true also that in application No. 1231 the Commission fixed the value of the property for sale purposes at \$745,000. It is also true that in application No. 1231 the Railroad Commission expressly stated that this valuation should not be considered binding for rate fixing purposes. The Commission has often stated that in fixing the valuation of properties, both for sale and rate purposes, the actual purchase price of the property is one of the elements to be taken into consideration. It is evident from the opinion in application No. 1231 that the valuation of the property was fixed by the Commission by taking the actual amount of \$150,000 paid to the Flume Company and adding thereto certain of the moneys expended since that date in the improvement, betterment and enlargement of the system. The only thing that I fear in making the transfer of this property at this time for \$600,000 is that at some later date this sum may be considered by the Commission as the amount which the Cuyamaca Water Company, a corporation, paid for the property, and may be used against the corporation in fixing the value of the property for either sale or rate purposes or both. It is true that Mr. Eshelman in application No. 1130 states, as above quoted, that this figure should not be taken as the value of the property for rate fixing purposes, but as we have learned by actual experience, the Commission does not always follow the precedent which it itself has established, and I am afraid that at some future time this price of \$600,000 may be used against us.

I realize fully the reasons why you do not desire to make a new application to the Commission in regard to this transfer to the

corporation, and I dislike very much to advise any course which will put you and your associates to any additional expense in the matter. But nevertheless I am afraid that if we make a transfer for \$600,000 that price may be used against us at some future time. If, however, you desire to take your chances on this matter there is no reason why the transfer cannot be made under the existing order.

Third: Should it be deemed advisable to ask the Commission for a modification of the order made in Application No. 1130, it could be done by a supplemental petition in that same application, and I have no doubt that the Commission would authorize the issuance of either additional stock or bonds to the extent of at least \$145,000 or \$150,000 more in view of the valuation for sale purposes which the Commission itself placed upon the property in application No. 1231.

Truly yours,

*Frederic W. Stearns*

FWS-W

January 26, 1916.

Mr. Frederic W. Stearns,  
Union Bldg.,  
San Diego, Calif.

My dear Mr. Stearns:

I am in receipt of yours of January 25th, and contents noted. You have hit the nail on the head, and we are down to brass tacks. I don't want to ask the State Commission Railroad to allow us to issue an additional amount of stock to the extent of \$145,000; then we are right up against it, good and plenty, and have fully recognized the decision made by the Commission as to value, while if we transfer the property for \$600,000 in stock as the Commission gave us authority to do, we are always in position to say that it is true the State Railroad Commission put a valuation of \$745,000 on the property, but our hands were tied; and we never accepted that valuation as final. While if we carry out your method and ask for the issuance of stock in the amount of \$145,000, it is a cinch we are tied up for good and all. As it is we have at least a straw to hold onto. What do you think about it?

Yours very truly,

F-S

RECEIVED  
FILE NO. 142  
DO NOT REMOVE  
ANY LETTERS  
FROM THE

February 16, 1916.

r. Fred W. Stearns,

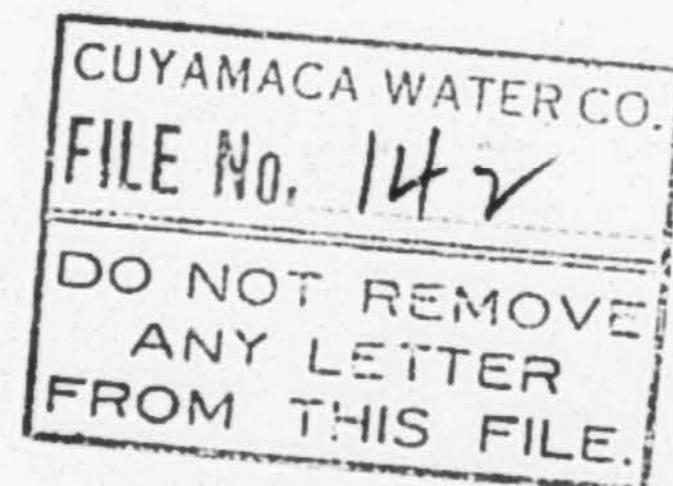
San Diego, Calif.

Friend Stearns:

By looking over the records for the past fifteen or twenty years I find it is utterly impossible to furnish water every day to the consumers on the system as we are out of commission - on account of the lack of necessary repairs - at least one month out of the year, and as they compel us to show to the line and rebate for water we did not furnish we must have whatever rates are established increased at least 8% or 1/12 in order to get what we are entitled to by the ruling of the Commission. Please keep this as a point to be brought out at the hearing.

Yours very truly,

MF:B



Feb. 17, 1916.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Calif.

My dear Mr. Stearns:

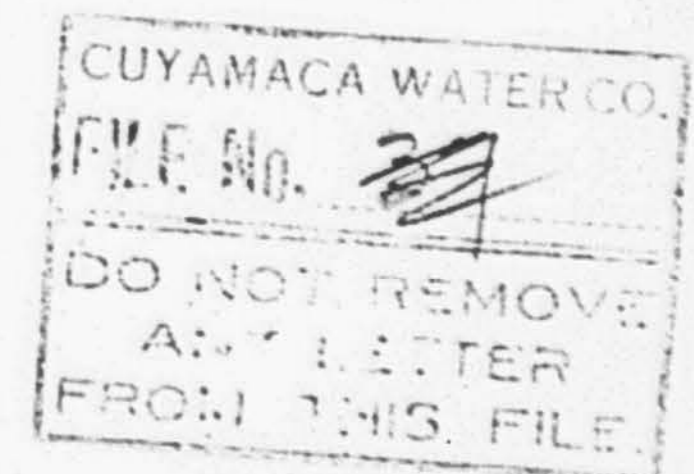
By Mr. Mathews, I send you copy of Resolution No. 21099. I note that it does not rescind the previous resolution passed, and I would like to have you carefully examine the resolution, and see if it in any way jeopardizes our interests in the San Diego River or the ownership of water in La Mesa Lake. Please let me have your report on this.

Yours very truly,

CUYAMACA WATER COMPANY,

\_\_\_\_\_  
Manager.

F-S



February 18, 1916.

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

My dear Mr. Fletcher:-

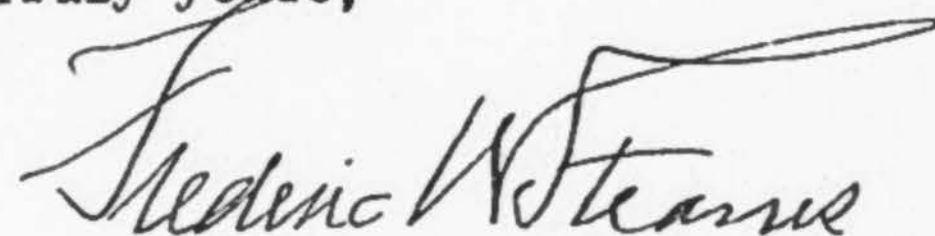
I am in receipt of your favor of February 17th, enclosing copy of Resolution No. 21099.

I have carefully examined the above resolution and I cannot see that it in any way jeopardizes your interest, either in the San Diego River or in the ownership of the waters in La Mesa lake.

The resolution specially provides that the rights or claims which both or either of the parties may now have or hereafter acquire in and to the waters of the San Diego River are in no manner affected by the terms of the resolution. So far as ownership to waters in the La Mesa Lake is concerned, there is not or ever can be any question as to your rights to such water. I note that the resolution is duly certified by the Auditor.

I herewith return you herewith copy of resolution.

Truly yours,



FWS-W

Feb. 21, 1916.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Calif.

Dear Sir:

The first thing tomorrow morning, at the hearing, I want you to present to Mr. Thelen the resolution passed by the council, agreeing to buy water from us last June, together with a bill showing the amount of money that is due us from the City of San Diego, and ask the Railroad Commission if we are to obey the orders of the Commission, which is to put them on the delinquent list and shut their water off unless they pay in advance.

A copy of the Rules and Regulations containing the order of the Commission in this regard is hereto attached.

I should like to have the additional evidence introduced, showing that it cost the San Diego Flume Co. \$250 an acre for the Cuyamaca Reservoir lands. There are two or three other exhibits that I have asked Mr. Paude to get out and which Mr. Lane will identify.

Yours very truly,

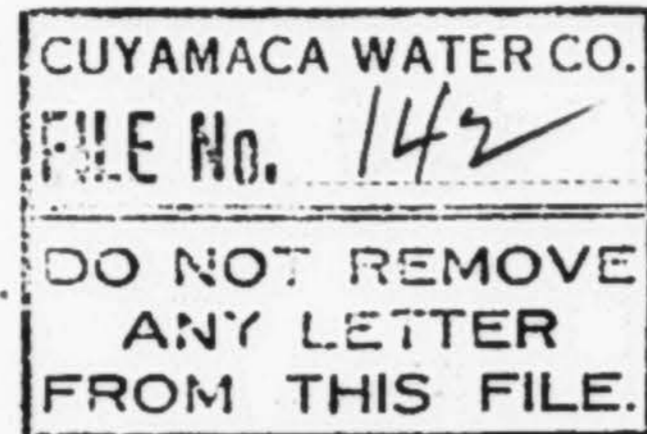
CUYAMACA WATER COMPANY,

CUYAMACA WATER CO.
FILE No. 142
DO NOT REMOVE ANY LETTER FROM THIS FILE.

Manager.

F-S

Feb. 25, 1916.



Mr. F. W. Stearns,  
San Diego, Calif.

Dear Sir:

Mr. Wallace Mansur, farming on 10 or 20 acres of land out near La Mesa raised 3500 boxes of tomatoes on 8 acres last year; planted them in August and had crop off by January; net receipts between \$2500 and \$3000; is now planting same ground again to tomatoes and Chili Peppers. He had one acre in Chili peppers last fall. By getting two crops a year he brings his net income up to \$4000 or \$5000; says that this land is nearly frostless and that is the reason why he can make money, while all other sections in San Diego County, including Escondido and other sections where tomatoes are raised get frosted. His land doesn't. This shows the possibilities of a high value, both for residential purposes and for winter truck gardening.

C. C. Crouch will testify that he gets \$300 and \$400 a acre for Chili peppers and tomatoes; got it last year; and that what the people want is water. They are willing to pay a reasonable price if they can get the water.

Dr. Parks will testify as to making a good deal of money out of tomatoes, Chili peppers, etc.

-2-

They will all testify that the land, from Grossmont to San Diego say, is most adapted to raising of winter peas, beans, berries, etc.-- two crops a year. Bring that out in every instance, please. They will testify that there is not much money in raising lemons. In fact most of these men are raising these crops between trees, and the man who just raises lemons and does not attempt to raise anything else, it is only a question of time when he goes broke.

George Hawley will testify that he got \$2000 an acre out of strawberries; that he owns a good deal of property out there; that he planted one-acre to strawberries and kept track of it, and he got \$1000 net for that one acre of strawberries within 12 months from the day the berries were planted. He will make a good witness for us. He will testify that for 7 years the San Diego Flume Co. were without water, either all or part of the time. He lived in El Cajon for 30 years, and he will testify that the Cuyamaca Water Co. has done remarkably well, considering what they went through, during this last drouth. He will testify, like all the others, that that country is adapted for winter vegetables and will make a crackerjack witness. If you ask him what they can afford to pay for water, I think he will make a good witness for us.

Call on Mr. Sperbeck, Cashier of the Bank of La Mesa, and he will testify that what they need is water; that the country is particularly adapted to winter vegetables, etc. and for subdivision into homes of one-acre tracts.

Jerry Sullivan will testify that he owns three or four hundred acres; wants water badly, and can't sell his land for lack of water and that the land will be used for subdivision into acre tracts for winter vegetables.

Braiden of Lemon Grove will testify as to the need of water; that what the land will be used for is subdivision into acre tracts for homes; that what they want is water, and that it is not so much a question of price.

I am also going to ask Cotton to testify along these lines.

As stated before, Hawley will testify that for 7 years they were either out of water all summer or part of the summer, and had to pay 7¢ for pumped water for their crops. This is the time I bought the Villa Caro Ranch for \$10,350, which had cost \$127,000. Prices went down. This was on account of a shortage of water through drouth. We have been through four years of just as bad drouth, the last four years, but owing to the greater efficiency of the Cuyamaca Water Co., we have been able to weather the storm. Values have not depreciated even with the panic and Democratic administration. If this is any kind of testimony, let me know.

I will testify that of my own knowledge Geo. Pearson has been getting \$300 an acre for his tomatoes last year; and that is off of only one crop, while he raises two crops. In other words, they can make about \$500 an acre off of their truck gardening, and they certainly can stand \$25 or \$30 an acre for water, while now they are only paying \$6.12 an acre.

Make it a special point to bring out that this is as nearly frostless as any land in the U. S., and that being the case, it will stand a higher rate than other sections.

I want you to be sure to pass in exhibit of Cuyamaca Water Company, known as "Cost of water for irrigation of citrus crops in Southern California." It was known as "Exhibit 27" in our last hearing, but I want it re-introduced, as it shows the ridiculousness of the Cuyamaca rate of \$6.12 per acre, while the next lowest rate is \$15.60 per acre, at Claremont, and the average is \$24 or \$25 per acre all over Southern California.



*Stearns*  
SWEET, STEARNS & FORWARD,  
(etc.)  
San Diego, California

March 1, 1916.

Mr. Wm. G. Henshaw,  
Mills Bldg.,  
San Francisco, Calif.

Dear Sir:

Answering that part of your letter of February 28th relative to the suit brought by the City of San Diego against Murray, Fletcher and yourself to condemn the Cuyamaca Water system, I beg to state that pursuant to instructions from Mr. Fletcher I have entered an appearance in said case and will try to force the matter to trial as soon as possible, with the idea that when the case is set for trial Mr. Cosgrove will dismiss it. I tried to get Mr. Cosgrove to dismiss the suit but he does not seem inclined to do so and the only way we can secure a dismissal of it now is to try and force it to trial as soon as possible. Inasmuch, however, as our courts are a great way behind in their trial work, it will be sometime before the case can be set for trial. I will try to get it placed on the preferred list and do everything possible to secure a dismissal as soon as the same can be done.

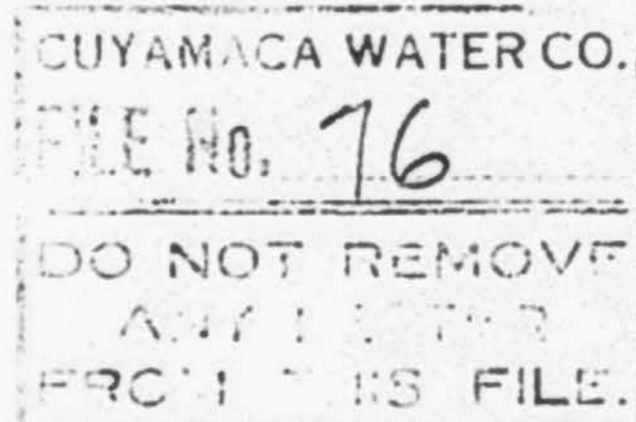
In regard to the suit brought by La Mesa, Lemon Grove and Spring Valley Irrigation District to compel specific performance of the contract of sale, have you yet been served with summons? I secured a stipulation from the attorneys for the District giving Murray and Fletcher, who have already been served, thirty days after the service of summons upon you in which to appear in the action, and I would therefore like to know when the summons was served upon you, if already served, and if not would ask you to let me know when it is served. My instructions from Fletcher in this case are to drag it out as long as possible and it was with this view in mind that I secured the stipulations above referred to.

Truly yours,

(Signed) Frederic W. Stearns.

FWS-W

Copy-HMS  
Original sent to  
Mr. Henshaw, 3/22/16.



March 6, 1916.

Mr. Fred W. Stearns,  
San Diego, Calif.

Friend Stearns:

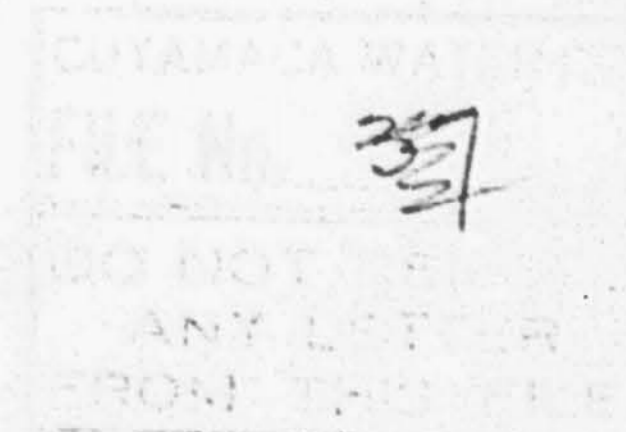
I have been informed that it is desired that at the Mayor's Conference next Thursday that our attorney be present - at which time it is the intention of the Mayor's Conference to recommend a settlement for the water furnished the City of San Diego, last June, amounting to \$4761.19. Will you please be present and take this matter up with the members of the Mayor's Conference and try and get the matter definitely settled as to the method of payment and when. The City Attorney has rendered an opinion that our claim is a valid one and should be paid.

Yours very truly,

CUYAMACA WATER COMPANY

By \_\_\_\_\_  
Manager

RF:B



March 22, 1916.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Calif.

Dear Sir:

Both Murray and Henshaw are put out because nothing is being done on the city suit. I want to get rid of it. In whose court is it, and how long before it can be set down for trial?

Yours very truly,

\_\_\_\_\_  
Manager.

F-S

CUYAMACA WATER CO.
FILE No. 76
DO NOT REMOVE ANY LETTER FROM THIS FILE.

One Copy sent  
Mr. Stearns for  
his approval  
5/19/16.

SWEET, STEARNS & FORWARD  
ATTORNEYS AND COUNSELORS AT LAW  
301-305 UNION BUILDING  
BROADWAY AND THIRD STREET  
SAN DIEGO, CALIFORNIA

TELEPHONES  
PACIFIC MAIN 62  
HOME 1663

May 23, 1916.

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

Dear Sir:-

Your favor of the 19th instant regarding the contracts and riparian right grant from Santa Ana Co-operative Sugar Company to Mr. William G. Henshaw, received.

I have examined the grant by the Sugar Company of the right to construct a dam on the Carroll and Santa Ysabel Rivers, and the same seems to me to be satisfactory. I have remodeled the contracts heretofore prepared, wherein Mr. Henshaw agrees to supply water in the event the construction of the dam lowers the water level, and beg to return the same to you herewith.

Truly yours,

FWS-W

*Frederic W. Stearns*

The Santa Ana Co-operative Sugar Co., a corporation, for and in consideration of Ten Dollars (\$10.00), the receipt of which is hereby acknowledged, does hereby grant and convey to Wm. G. Henshaw, his heirs and assigns, the right to construct and maintain a dam and reservoir in Section 18, Township 13 South, Range 2 West, San Bernardino Meridian, and known as Carroll Valley, in the County of San Diego, State of California, on the San Dieguito River, and dams and reservoirs at any point or places upon said San Dieguito or Santa Ysabel Rivers or their branches, east of Section 18, Township 13 South, Range 2 West, S. B. M., and the right to perpetually collect and impound by and in such dams and reservoirs any and all waters of the Santa Ysabel and San Dieguito Rivers, and the right to perpetually divert any and all the said waters so collected and impounded, from the water shed of the Santa Ysabel or San Dieguito Rivers into other watersheds and parts of said County of San Diego, State of California; and we do hereby consent to the construction and maintenance of such dams and reservoirs and to the collecting and impounding of the said waters therein and thereby, and to the said diversion of said waters as aforesaid.

This instrument shall not be construed as a waiver of our rights to any of the underground or surface waters which may flow over, under and across our property, and which originate in the said Santa Ysabel or San Dieguito Rivers to the west of and below the said dams and reservoirs after the same are constructed.

It is understood that said Santa Ana Co-operative Sugar Co. is the owner of the following-described land situated in the Valley of the Santa Ysabel or San Dieguito Rivers, in said county and state, to wit:

$S\frac{1}{2}$  of  $SW\frac{1}{4}$  of  $SW\frac{1}{4}$ ;  $W\frac{3}{4}$  of  $S\frac{1}{2}$  of  $N\frac{1}{2}$  of  $SW\frac{1}{4}$  of  $SW\frac{1}{4}$  and  $W\frac{1}{4}$  of  $S\frac{1}{2}$  of  $SE\frac{1}{4}$  of  $SW\frac{1}{4}$  of Section 1, T. 14 S., R. 4 W.;

The  $N\frac{1}{2}$  of  $NW\frac{1}{4}$  of  $NW\frac{1}{4}$ ;  $S\frac{1}{2}$  of  $NW\frac{1}{4}$  of  $NW\frac{1}{4}$ ;  $N\frac{1}{2}$  of  $S\frac{1}{2}$  of  $NW\frac{1}{4}$ ; and  $N\frac{1}{2}$  of  $SW\frac{1}{4}$  of  $NE\frac{1}{4}$  of Section 12, T. 14 S., R. 4 W.;

The  $E\frac{1}{2}$  of  $NE\frac{1}{4}$  of  $NE\frac{1}{4}$ ; and  $NE\frac{1}{4}$  of  $SE\frac{1}{4}$  of  $NE\frac{1}{4}$  of Section 11, T. 14 S., R. 4 W.;

The  $NE\frac{1}{4}$  of  $NW\frac{1}{4}$  and  $NW\frac{1}{4}$  of  $NE\frac{1}{4}$  of Section 12, T. 14 S., R. 4 W.;

All that portion of the  $N\frac{1}{2}$  of  $SE\frac{1}{4}$  sec. 6, T. 14 S., R. 3 W., S. B. M., described as follows: Beginning at the SE Corner of the  $N\frac{1}{2}$  of  $SE\frac{1}{4}$  of said Sec. 6, T. 14 S., R. 3 W., S. B. M.; running thence North 0.00 degrees  $24\frac{1}{2}'$  East (all bearings being from true meridian) along the East line of Sec. 6, 183.7 feet; thence North 59 degrees 29' West 1069.6 feet; thence North 77 degrees 38' West 201 feet; thence North 67 degrees 27' West 255.9 feet; thence North 30 degrees 42' West 318 feet to a point in the center of County Road; thence following the center line of said county road South 55 degrees 10' West 453 feet; thence South 56 degrees 05' West 696.6 feet; thence South 82 degrees 46' West 399.8 feet; thence South 0.00 degrees  $24\frac{1}{2}'$  West 304.9 feet to the SW Corner of said  $N\frac{1}{2}$  of  $SE\frac{1}{4}$  of said Section 6; said point being in the center of the county road running North and South through said Sec. 6; thence South 89 degrees 27' East 2752.8 feet, more or less to the point of beginning; excepting therefrom any portions thereof lying within the boundaries of any public road;

The  $S\frac{1}{2}$  of  $SW\frac{1}{4}$  of Section 6, T. 14 S., R. 3 W.; and the  $N\frac{1}{2}$  of  $NW\frac{1}{4}$  of Section 7, T. 14 S., R. 3 W., S. B. M.

And it is hereby agreed that this grant, and the consent hereby given, shall apply to and bind the heirs, lessees and assigns of the said Santa Ana Co-operative Sugar Co., and all successors in interest of the said Santa Ana Co-operative Sugar Co. in and to said land.

To have and to hold all the above mentioned rights and privileges unto the said Wm. G. Henshaw, his heirs and assigns, forever.

Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 1916.

March 31, 1916.

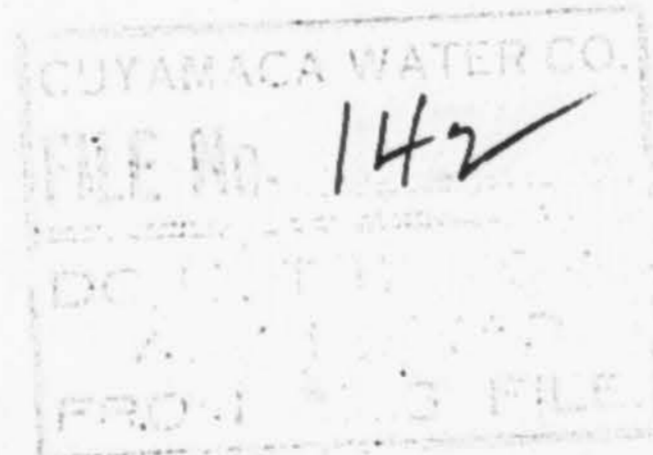
Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Calif.

Dear Sir:

Answering yours of March 30th, will say that we don't want the case set down to trial, and can we not get affidavits to show that the property is in litigation, being condemned by the city, and presumably sold to the District? I know that there must be some way to get this thing postponed. Put on your thinking cap, and tell me how to do it.

Yours very truly,

T-S



May 6, 1916.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Cal.

Dear Sir:-

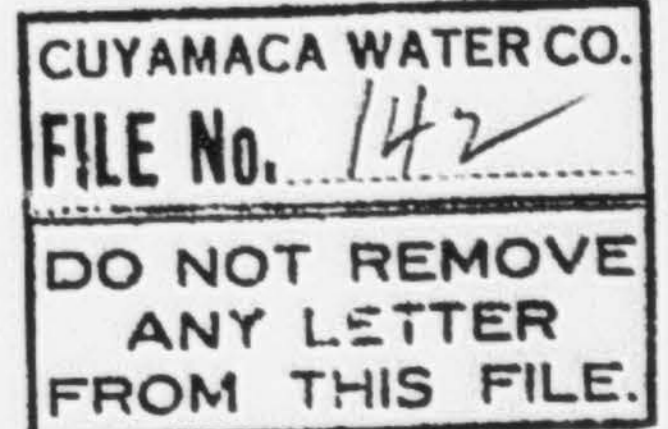
I want you to immediately prepare a formal application asking the State Railroad Commission for new rates on the Cuyamaca. I have been instructed by Mr. Murray to see that you immediately set down the case for trial in the condemnation suit of the City of San Diego.

Mr. Max Thelen told me that the State Railroad Commission had no jurisdiction whatsoever and for the life of me I can't see why you appealed to the State Railroad Commission if it was in the hands of the Court.

Now in making this application for rates for the Cuyamaca Water Company, you will be prepared, if they refuse to give us increased rates or grant our application, to take the case to the Supreme Court so as to force the State Railroad Commission to give us rates.

Besides what you may deem advisable to put in, I would like to have you particularly specify that rates were established March 28, 1913, to apply from June 1, 1912, and never have been established since. That the Railroad Commission on March 28, 1913 in their decision admitted that we were entitled to \$68,000 (see Decision), but as a matter of fact we only received from June 1, 1912 to January 1, 1913 in receipts \$16,139 during the year 1913 \$31,789 in receipts, in 1914 \$53,226 receipts and 1915 \$74,158.

State that the great increase in 1914 and 1915 was owing to the fact that the City of San Diego was short of water and the emergency gave us opportunity to sell to the City during those years which helped out. We would call attention to the fact that the Railroad Commission's decision of March 28, 1913 only allowed us operating expenses of \$28,000. Then give list of our operating expenses for 1912, 1913, 1914 and 1915 and wind up by showing that even with the unexpected surplus sale of water during the year 1914 and 1915, that we didn't take in enough money to pay operating expenses by \$ 3400



Mr. F W Stearns,  
page 2.

May 6, 1916.

Call attention to the fact that we have made application two or three times for increased rates and they have been refused. Although all money we have spent has been done under the jurisdiction and under the approval of the State Railroad Commission, call attention to the fact that our flood damage for this year is APPROX. \$40,000 - Mr. Faude will furnish you with all information.

We have been fortunate enough in selling to the City to date enough to amount to \$40,000, but we have been informed that the City will shortly not require any more water from us.

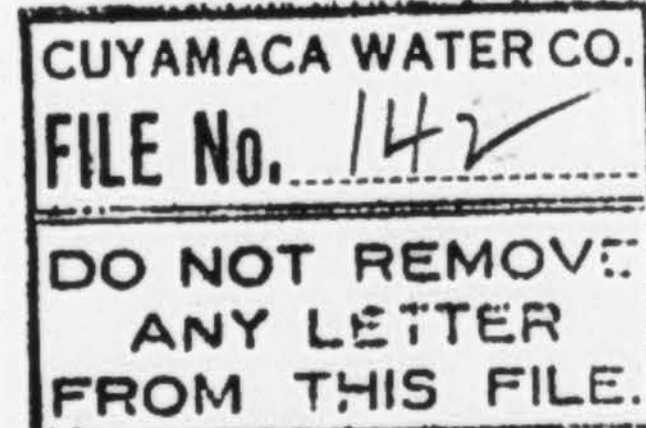
Make mention of the fact that the Railroad Commission gave us permission to ask for increased rates last November. Make mention of the violation of the La Mesa contract by the La Mesa District, or of the expiration of the contract on January 1st. Make reference to Mr. Thelen's final statement refusing to increase rates and ordering me to get Mr. Murray and Mr. Fletcher and the La Mesa District together and refusing to allow us an increase in rates although we have waited 3 years for an increase in rates and have put up our money in good faith.

Call attention to my last application under date of March 20, 1916 in which I personally wrote a letter requesting a hearing which has been turned down, showing the injustice to our Company of trying to force us to sell to the La Mesa Irrigation District that we feel it is for the Courts to determine the question of that contract, that we have become 100% efficient, have furnished a full supply of water and have a three years supply of water on hand with an ordinary rainfall.

Mr. Faude and Mr. Post will make suggestions in this matter and furnish the data that I have not furnished. I would like to have you get busy immediately on this matter, and oblige.

Yours very sincerely,

EF:K



Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Cal.

Dear Sir:-

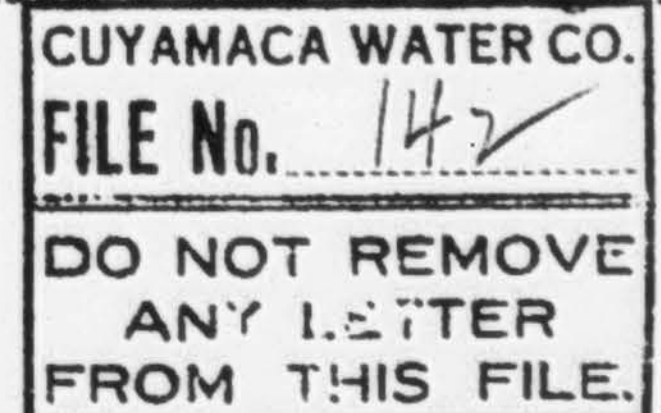
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State that the great increase in 1914 and 1915 was owing to the fact that the City of San Diego was short of water and the emergency gave us opportunity to sell to the City during those years which helped out. We would call attention to the fact that the Railroad Commission's decision of March 28, 1913 only allowed us operating expenses of \$28,000. Then give list of our operating expenses for 1912, 1913, 1914 and 1915 and wind up by showing that even with the unexpected surplus sale of water during the year 1914 and 1915, that we didn't take in enough money to pay operating expenses by \$ 3,400.



Mr. F W Stearns,  
page 2.

Call attention to the fact that we have made application two or three times for increased rates and they have been refused. Although all money we have spent has been done under the jurisdiction and under the approval of the State Railroad Commission, call attention to the fact that our flood damage for this year is approx. \$40,000. Mr. Faude will furnish you with all information.

We have been fortunate enough in selling to the City to date enough to amount to \$40,000, but we have been informed that the City will shortly not require any more water from us.

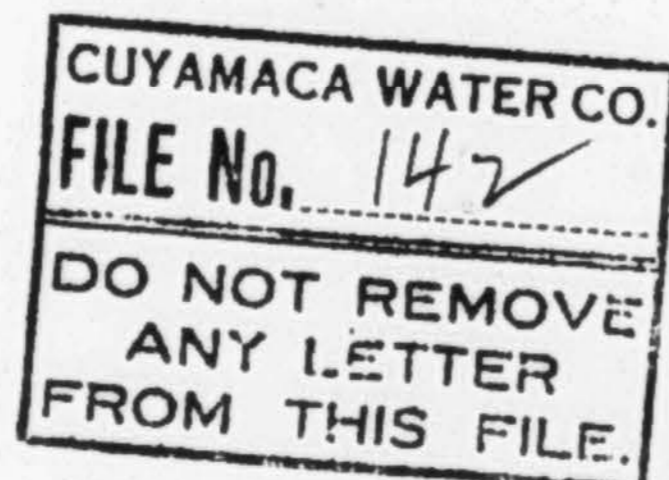
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Call attention to my last application under date of March 20, 1916 in which I personally wrote a letter requesting a hearing which has been turned down, showing the injustice to our Company of trying to force us to sell to the La Mesa Irrigation District that we feel it is for the Courts to determine the question of that contract, that we have become 100% efficient, have furnished a full supply of water and have a three years supply of water on hand with an ordinary rainfall.

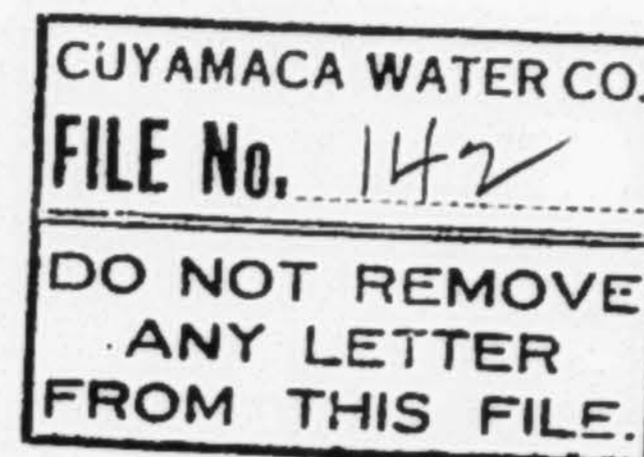
Mr. Faude and Mr. Post will make suggestions in this matter and furnish the data that I have not furnished. I would like to have you get busy immediately on this matter, and oblige.

Yours very sincerely,

EF:K



May 26, 1916.



Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Calif.

Dear Sir:

I shall be east on the 15th of June, the day set for the Cuyamaca hearing, so you, Faude and Post will please handle the case and, if they mean business, why go ahead and get them to establish rates that ought to have gone into effect a year or two ago.

It is unnecessary for me to tell you to go ahead and amortize our past losses, our past depreciation, etc.

Without fail, make a claim of value for water rights again.

Protest against the value that was placed on the system, in your argument, and refer to the Eshleman valuation of \$352,000, which was made as a basis for establishing rates. Refer to the Twenty-odd thousand dollars we have lost each year on account of errors made in that decision, and make all the demands you can, so that if we get turned down, and Murray or Henshaw kicks, it can be shown that we did the best we could.

Cut out, if you can, any limitation of 1/2 acre for domestic water and make a sliding scale rate according to quantity for domestic water. I am referring to the half-acre limit, which now prevails.

I don't know what to do or advise about bringing the irrigation rate to a sliding scale rate, according to quantity. I am satisfied of this: That if they cut out the present annual charge of \$65 and \$70 per year, per inch, and base it solely upon the actual use of water it is going to cause us loss of lots of revenue, because they will immediately cut down the use of water one-half at least, for they won't pay for the use of much water during the Spring, summer and fall months, and the demand will be greater on us for water in the summer. This forces us immediately to build some reservoirs in the mountains, and I can't help but feel it will be ~~some~~ more satisfactory to the farmers out there if they increase the rate per inch per year, and it will be a bigger and assured revenue for us. It will also in a measure be protecting their so-called water rights and the recognition of same.

I have, personally no objection to recognizing those water rights, as far as our obligation to serve the land is concerned,

122

June 28, 1916.

particularly if they pay for water, but there is where Murray disagrees with me.

And I am satisfied that unless we do charge so much an inch for the irrigation water, whether they use the water or not, we will have to have an irrigating rate of seven or eight cents a thousand gallons to keep up our revenue, because the demand on our system will be cut down one-third, the minute that you make this change.

I want included the Grossmont and Murray Pumping plants and water systems, because that will all be domestic water sooner or later.

It goes without saying that you will see that we are protected on our flood damage this year, and show that there is no more chance of selling any water to the City.

By all means, get permission from the Commission to sell water to outsiders.

Yours very truly,

\_\_\_\_\_  
Manager.

F-S

Messrs. Post and Faude:

Read this and give me your criticisms before I leave for the East, which will probably be Monday.

Ed Fletcher.

F-S

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Cal.

Dear Sir:-

A few days ago I talked with Senator Wright regarding our claim against the Gay Estate and he informed me that the estate was admitted to Probate, November 29, 1915 and that 10 months is allowed to file claims. This would make the last day September 29, 1916.

Please file our claim promptly as we will undoubtedly have considerable discussion over the matter before it is finally settled.

Very truly yours, .

Assistant Manager.

FMF:K

July 11, 1916

Messrs Stearns & Sweet,

San Diego, Calif.

Gentlemen:

Will you please immediately move to have dismissed the suit of the riparian owners, Lakeside farms, etc, against Messrs Murray, Fletcher and Henshaw. This must be done immediately as I have been told that the consumers of the Guyanaca Water Company, at the next hearing, are going to make it a point to show that there is a cloud on our title to pump water in the San Diego river.

Please let me hear from you within the next two or three days that this suit has been dismissed or set for trial. It has been running long enough and we do not want any more exchanging of courtesies between attorneys in this matter.

Yours very truly,

GUYANACA WATER COMPANY

By \_\_\_\_\_  
Manager

MF:B

28

July 17, 1916.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Calif.

Dear Sir:

Answering yours of July 15th. will say your letter is certainly explanatory, and I beg your pardon for the bother I have put you to; but I enjoyed reading your letter very much. You have me behind the door this time.

Your judgment is better than mine, and I suggest that nothing be done until after the hearing in August, before the Railroad Commission.

Yours very truly,

F-S

142



122

July 27, 1916.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Cal.

Dear Sir:

I inclose two copies of a letter written to Col. Fletcher by Mr. Mathews regarding our claim against the John H. Gay estate, also two copies of water right contract covering this land. If you require any further information I will be pleased to supply it.

Very truly yours,

F:8

Inclosures.

Aug. 1, 1916.

Mr. F. W. Stearns,  
303 Union Bldg.,  
San Diego, Calif.

My dear Mr. Stearns:

I want you to bring out, particularly, the point that the 1912 decision of President Eshleman stated that the total demands of the consumers furnish 100% deficiency delivered at the consumers' meters was 256 inches or a total of 161,464,320 cu. ft. in 1915, not including the use by the City of San Diego. When we furnished a full supply during the entire year we only delivered, at the consumers meters, 234.5 inches or 147,860,660 cu. ft. This does not include the additional water used by the City in 1915.

Yours very truly,

CIYAMACA WATER COMPANY

BY \_\_\_\_\_

Manager

MF:B

142

For Mr. Mathews

August 22, 1916.

STEARNS, F. W.

AUG 14, 1916

Letter to Stearns from  
Fletcher filed with  
memo to HENSHAW, WM.  
OF SAME DATE.

CSM

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Calif.

Dear Sir:

Enclosed find copy of exhibits sent to  
the State Railroad Commission this day. I have sent  
a copy to each of the attorneys in the case, as well.

Yours very truly,

\_\_\_\_\_  
Manager.

F-S

149

September 7, 1916.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Calif.

My dear Mr. Stearns:

You told me the other day that the reason why you could not go into court and dismiss the city's condemnation suit against the Cuyamaca Water Co. was on account of the La Mesa Irrigation District's refusing to acknowledge service, or something of that kind. Senator Luce informed me today that he filed his demurrer on behalf of the La Mesa Irrigation District over a month ago.

Now this case has been dragging along for a year and a half, Fred, and as a friend I want to let you know that you need not hold me responsible for any drastic action that Mr. Murray may take in this matter. I have been made the goat long enough. He has been pounding me on the back to get this suit dismissed, and my advice to you is to get this case either set for trial or get it dismissed within the next week or ten days. I understand from you that as soon as you set the case for trial the city attorney will dismiss the case, and this is just what we want him to do.

I hope you will take immediate action in this matter.

Yours very truly,

CUYAMACA WATER COMPANY,

\_\_\_\_\_  
Manager

F-8

84

A. H. SWEET  
FREDERIC W. STEARNS  
CHAS. H. FORWARD

SWEET, STEARNS & FORWARD  
ATTORNEYS AND COUNSELORS AT LAW  
301-305 UNION BUILDING  
BROADWAY AND THIRD STREET  
SAN DIEGO, CALIFORNIA

TELEPHONES  
PACIFIC MAIN 62  
HOME 1063

September 14, 1916.

Mr. F. M. Faude,  
918 Eighth Street,  
San Diego, California.

Dear Mr. Faude:-

I enclose you herewith form of claim of Cuyamaca Water Company against the Gay Estate. This claim should be sworn to by Mr. Fletcher and then presented to the executrix at the office of Wright, Winnek & McKee.

Truly yours,

FWS-W

*Frederic W. Stearns*

172

Mr. Faude:

Here is letter from Fred Stearns. Follow his instructions to the letter.

Ed Fletcher.

F-8  
9/16/16

September 19, 1916.

Mr. F. W. Stearns,  
Union Bldg.,  
San Diego, Cal.

Dear Mr. Stearns:-

Your letter of September 14th enclosing claim of Guymaca Water Company against the Gay Estate has been received. This claim has been sworn to by Mr. Fletcher, was addressed to Mrs. Gay, the Executrix, and was today delivered to Senator Wright at his office.

Yours very truly,

Assistant Manager.

FME:X

122

A. H. SWEET  
FREDERIC W. STEARNS  
CHAS. H. FORWARD

SWEET, STEARNS & FORWARD  
ATTORNEYS AND COUNSELORS AT LAW  
301-305 UNION BUILDING  
BROADWAY AND THIRD STREET  
SAN DIEGO, CALIFORNIA

TELEPHONES  
PACIFIC MAIN 62  
HOME 1063

February 26, 1917.

Mr. Ed. Fletcher,  
918-8th Street,  
San Diego, California.

Dear Sir:-

I this morning had the case of Murray and Fletcher vs. Sackett set for trial March 20th, which was the earliest date that could be obtained, and we expect to try the case on that date. Previous to the trial I desire to go over the matter with you and see what witnesses we have and what we expect to prove.

Permit me to again call attention to the fact that no arrangements have yet been made for a settlement of our bill. I dislike to be continually reminding you of this matter, but we are very urgently in need of the money now and it would be a very great accommodation if you could arrange to make a settlement.

Truly yours,

FWS-W

*Frederic W. Stearns*

March 3, 1917.

Mr. Fred W. Stearns,  
San Diego, California.

My dear Mr. Stearns:

Will you please go into court  
and have the riparian owner suit dismissed immediately -  
in the matter of the injunction stopping us from pumping.

Yours very truly,

CUYAMACA WATER COMPANY

---

Manager

EF:B

A. H. SWEET  
FREDERIC W. STEARNS  
AS H. FORWARD

SWEET, STEARNS & FORWARD  
ATTORNEYS AND COUNSELORS AT LAW  
301-305 UNION BUILDING  
BROADWAY AND THIRD STREET  
SAN DIEGO, CALIFORNIA

TELEPHONES  
PACIFIC MAIN 62  
HOME 1063

March 20th, 1919.


Mr. Ed. Fletcher,  
920 8th Street,  
San Diego, California.

Dear Sir:-

Enclosed I beg to hand you draft of tentative contract between the riparian owners as parties of the first part and Messrs. Murray, Henshaw and Fletcher as parties of the second part. Mr. Chandler of the Water Commission drafted part of this contract and as representing the riparian owners I have added two paragraphs, one relating to the abrogation of the old water right contracts between El Cajon Valley Company and other riparian owners and San Diego Flume Company and the other relating to the operation of the Cuyamaca Water Company's pumping plants. Both of these matters are matters of vital importance to the riparian owners and we feel must be provided for in any contract relating to the construction of new dams by your Company.

I have sent a copy of this draft to Mr. Chandler one to the Thum Brothers, and one to Messrs. Timken and Bach and after all parties have examined the contract it would probably be desirable to have a meeting and go over the same if any party has any changes to suggest.

Very truly yours,



RWS/M  
encl.

28

*Mr. Fletcher*

THIS AGREEMENT, made and entered into as of the  
day of , by and between

parties of the first part, and JAMES A. MURRAY, WM. G. HENSHAW,  
AND ED. FLETCHER, parties of the second part, WITNESSETH:

Whereas said party of the first part is the owner and  
in possession of all that certain real property situated in said  
County of San Diego, more particularly described as follows, to-wit:  
(Here insert description of land).

All of which said tract is admitted to be riparian to the San Diego  
River, and

Whereas the parties of the second part desire to construct  
one or more dams and reservoirs for impounding and diverting a  
portion of the waters of said San Diego River, above the lands of  
the party of the first part;

NOW THEREFORE in consideration of the mutual benefits to  
accrue to the respective parties, the parties hereby do agree as  
follows: Upon the conditions and subject to the reservations and  
exceptions herein contained, the parties of the first part hereby  
releases, release and quitclaim the right to construct such dams and  
reservoirs and to impound and divert the waters of said San Diego  
River and its tributaries, to said parties of the second part their  
heirs and assigns forever. The party of the first part hereby  
excepts and reserves to his riparian lands the prior right to so  
much of the water of said San Diego River riparian thereto as from  
time to time may be beneficially used thereon, and the diversion  
by said parties of the second part of any of the water in or which  
would come to said San Diego River, however long said diversion by  
said parties of the second part shall be continued, shall not  
deprive said land of the said parties of the first part of said  
excepted and reserved prior riparian rights; Provided, however,  
that these exceptions and reservations shall not effect the prior  
right of the parties of the second part to continue to divert water  
for the use in the manner, for the purposes and of the amount which  
has been diverted and used by means of diversion and storage works

now in use;

And provided further that for and in consideration of the  
execution of this agreement by first parties and the right to  
construct dams and reservoirs herein and hereby given, the second  
parties hereby expressly remise, release, quit claim and reconvey  
to first parties, their heirs, executors, administrators, and  
assigns any and all the rights, whether as riparian owners or  
otherwise to use and impound the waters of the San Diego River or  
any other stream or streams tributary thereto heretofore attempted  
to be granted, bargained and sold to the San Diego Flume Company,  
its successors and assigns in that certain contract dated the 9th  
day of August, 1892, executed by and between El Cajon Valley  
Company a corporation and the San Diego Flume Company, a corporation  
and recorded in the office of the County Recorder of the San Diego  
County, California, in Book 195 of Deeds at page 60 et seq., Records  
of San Diego County, California, and or any other contracts made  
between said parties purporting to convey any riparian or other  
rights to use or impound the waters of said San Diego River, it  
being the intention of this agreement that the said contracts  
heretofore referred to so far as the same attempt to convey and  
transfer to said San Diego Flume Company any of the riparian rights  
of first parties hereto as successors in interest of said El Cajon  
Valley Company, shall be and are hereby annulled and set aside and  
the riparian rights therein attempted to be conveyed reverted in said  
first parties.

In view of the fact that the said additional storage and  
diversion of the waters of said San Diego River by the said parties  
of the second part, as permitted hereunder, may lower the level of  
the subsurface water plane of said San Diego River at the places  
riparian to said lands of the parties of the first part, it is hereby  
agreed as follows: Until the same shall be undertaken and maintained  
by competent public authority, the parties of the second part  
shall install and maintain adequate instruments and equipment and  
employ competent agents for measuring and shall continuously measure  
and keep records of the rain fall and run-off of the watershed  
tributary to the conservation works of the parties of the second

SWEET, STEARNS & FORDWANE  
SAN DIEGO, CAL.

SWEET, STEARNS & FORDWANE  
SAN DIEGO, CAL.

( part, and the inflow and discharge thereof, and the manner of  
discharge showing the part diverted for use and that passing over  
the spillways and the seepage and evaporation thereof. All such  
measurements and records required by the U. S. Geologic Survey and  
the State Water Commission of California shall be kept by the  
parties of the second part in the manner followed and approved by  
the officers of the United States Geologic Survey and by the  
State Water Commission of California, or by the officers for the  
time being performing the duties now performed by the State Water  
Commission of California, as a necessary means for arriving at  
proper conclusions under arbitration proceedings provided for in  
this agreement. Whenever the level of the subsurface water plane  
of said San Diego River at places riparian to said lands of the  
parties of the first part shall appear to the parties of the  
first part to be affected, by the injury of said parties of the  
first part by the said additional storage and diversion of water  
by the parties of the second part, the question whether loss and  
damage has resulted to the said parties of the first part, and  
the amount, if any of such loss and damage shall be submitted to  
arbitration.

Nothing herein contained and no construction of dams or  
locks hereunder shall be construed as a waiver by the parties of  
the first part, of any damage to their said land and or the  
improvements thereon including crops which shall hereafter accrue,  
and for which the said parties of the second part would be liable  
had this agreement not been made.

#### ARBITRATION.

Whenever the party of the first part, his successors and  
assigns shall claim damages or loss hereunder from the parties of  
the second part, their successors and assigns, he, or they, shall  
present a statement of his or their claims and the amount of  
damages claimed by him or them, to some one of the parties of the  
second part, or some of their successors and assigns, and unless  
the damages are agreed upon and paid within ten (10) days there-  
after, he or they may require that a Board of Arbitrators be consti-

1 ituted hereunder and the matter in controversy submitted to said  
2 Board within thirty (30) days after presenting said claim.

3 The State Water Commission of California so long as the  
4 same shall consist of three or more members and provided it will  
5 undertake the arbitration, is hereby agreed to as the Board of  
6 Arbitrators. If the duties of the State Water Commission of  
7 California are transferred to any Board of Commission of the  
8 State of California, having three or more members, then such  
9 Board shall constitute the Board of Arbitrators. If the Water  
10 Commission of the State of California shall be reduced to less  
11 than three members, or the Board to which its duties are trans-  
12 ferred, shall be less than three members, or the said Water  
13 Commission or the officers so exercising its powers shall decline  
14 or refuse to act, then the Board of Arbitrators shall be  
15 constituted by the party of the first part, appointing one member  
16 and the parties of the second part appointing one member, and the  
17 two so appointed shall select the third member and the three  
18 together shall constitute a Board of Arbitrators. A majority  
19 in number of the Board of Arbitrators may make an award, but only  
20 after the form of the award shall have been submitted for the  
21 approval or disapproval of all of the members of the Board of  
22 Arbitrators, and the award shall be final and binding on the  
23 parties, their heirs, administrators, successors and assigns.

24 The award of money damages shall not be construed to  
25 permit the parties of the second part, their successors and or  
26 assigns to deprive the land of the party of the first part of  
27 water to which it is entitled hereunder, but said award shall  
28 secure said water to said land for the future. The parties hereto  
29 hereby agree that they will submit any such claim of damages to  
30 the Board of Arbitrators, in such forms that the award of the  
said arbitrators so chosen may be entered as a judgment of the  
Superior Court of the County of San Diego, if the laws of the  
State of California at the time so authorize.

Should the Board of Arbitrators award to the party of the  
first part damages in excess of two-thirds of those claimed by it,

then all the costs of arbitration in addition to said damages shall be paid by said parties of the second part. Should the award of damages to the party of the first part be less than two-thirds of the damages claimed by it then the costs of the arbitration shall be paid by the party of the first part or its successor in interest demanding the arbitration.

It is hereby agreed that the Board of Arbitration shall determine the use of the water in controversy pending the hearing and award, and the right to the use of the water in controversy by its award, and may direct the release of water from time to time by the parties of the second part to carry into effect this agreement or any award made by such Board, and said parties of the second part hereby agree to abide by and conform to such directions.

It is further hereby stipulated and agreed by and between the parties hereto that for and in consideration of the greatly enlarged storage and impounding capacity made possible to the water system of second party by reason of the grant by first parties in this agreement contained of the right to construct and maintain additional dams and reservoirs, said second parties hereby agree and bind themselves not to operate or attempt to operate from and after the date of this agreement any pumping plant or plants in the bed of said San Diego River or at any other place where such operation would tap or draw upon or from the underground waters in the bed of said San Diego River or in the valley through which said River flows or so as to effect in any degree the underground water supply of said first parties. Should said second parties at any time attempt to operate any such pumping plant and said parties of the first part, his or their successors or assigns shall claim any damage or loss occasioned thereby a claim for such damages shall be presented to the second parties and unless such damages are agreed upon and paid within ten days thereafter the matter shall be submitted to arbitration as hereinbefore in this agreement provided. The said Board of Arbitrators shall determine and award the damages if any suffered by said first parties or his or their successors or assigns and if they find such damages to be occasioned by reason of the operation

of such pumping plant they shall have and are hereby expressly given power and authority to order the operation of such pumping plant forthwith discontinued. Said award shall be entered as a judgment in the manner hereinbefore provided under the arbitration clauses of this agreement.

It is hereby stipulated and agreed that the rights conveyed hereby and each and every reservation, exception, covenant, stipulation and agreement herein contained are and shall be construed, both as a condition of this conveyance, and as a covenant running with the land of the party of the first part above described, and running with the water system and conservation works of the parties of the second part for diverting water of the San Diego River or any part thereof, of which system said dam or any dam constructed at or about the place where said dam is authorized to be constructed shall be a part, and that all said reservation, exceptions, covenants, stipulations and agreements shall inure to the benefit of each of the parties hereto, their heirs, administrators, executors, successors and assigns, and shall likewise bind and be binding upon each of the parties hereto, their heirs, administrators, executors, successors and assigns.

IN WITNESS WHEREOF, the said parties have hereunto subscribed their names, and the party of the first part has caused its corporate seal to be affixed by its officers thereunto first duly authorized, at the City of Pasadena, County of Los Angeles, State of California, this \_\_\_\_\_ day of \_\_\_\_\_ 1918.

By \_\_\_\_\_ President

and \_\_\_\_\_ Secretary.

Party of the first part.

\_\_\_\_\_  
Parties of the second part.



May  
Twentieth  
Nineteen  
Twenty

(dictated 5/19th)

Mr. Frederic W. Stearns,  
Union Building,  
San Diego.

My dear Mr. Stearns:

Enclosed find clipping from last night's  
Tribune which is explanatory.

I hope by this time you have held your  
meeting with the water commission. I am sure you will  
find them friendly and willing to cooperate. This  
clipping indicates an entirely different program  
which might become very hostile to the committee's  
plans for the water district.

Is it not possible for you to get some  
quick action? Let it become public. Arrange for  
one meeting in the evening in East San Diego, and  
another evening in La Mesa, inviting the Lemon Grove  
people there to discuss this matter. Also talk the  
matter over with the City Council.

I do hope you can wind this thing up in a  
week or so and start out with circulating the petitions  
to call the election and show the City Council that we  
mean business. I do hope, Fred, that a way can be found  
to expedite matters. Mr. Jones tells me that you  
have been authorized by him to go ahead. I am sending  
him a copy of this letter.

Yours very truly,

FF:KLM

cc-H.H.J.

*Copy sent to W.H. H  
and John Stearns*

A. H. SWEET  
FREDERIC W. STEARNS  
CHAS. H. FORWARD

SWEET, STEARNS & FORWARD  
ATTORNEYS AND COUNSELORS AT LAW  
301-305 UNION BUILDING  
BROADWAY AND THIRD STREET  
SAN DIEGO, CALIFORNIA

TELEPHONES  
PACIFIC MAIN 62  
HOME 1063

May 21, 1920

Mr. Ed Fletcher,  
#810 Ash Street,  
San Diego, Calif.

Dear Ed:-

I am in receipt of yours of the 19th inst.  
Replying to same, I beg to state that I am doing  
everything I can to expedite the water matter. I  
have had several conferences with Mr. Sumner and  
we have arranged for a conference between the Water  
Commission and the Water Committee of the Committee  
of Thirty, early next week. You doubtless noticed in  
the paper the resolutions adopted by the Board of Water  
Commissioners and I understand in Sunday's Union there  
will be a long article from the Board of Water Commis-  
sioners in regard to the formation of this district. The  
resolutions passed by the Board of Water Commissioners  
were right along the line of the arrangements which I  
had with Mr. Sumner. I want you to feel that we are  
doing everything we can to hustle this matter along,  
and that no stone will be left unturned to bring the  
matter to a successful conclusion.

Sincerely yours,

*Frederic W. Stearns*  
W

April 5, 1921.

Mr. F. Stearns,  
Union Building,  
San Diego, Calif.

My dear Stearns:

Enclosed find copy of letter to the  
City Water Commission, giving my reasons why  
the Cuyamaca System should be purchased by  
the City.

Yours sincerely,

EF:MLM

A. H. SWEET  
FREDERIC W. STEARNS  
CHAS. H. FORWARD

SWEET, STEARNS & FORWARD  
ATTORNEYS AND COUNSELORS AT LAW  
301-305 UNION BUILDING  
BROADWAY AND THIRD STREET  
SAN DIEGO, CALIFORNIA

TELEPHONES  
PACIFIC MAIN 62  
HOME 1063

April 6, 1921.

Mr. Ed Fletcher  
920 Eighth Street  
San Diego, Calif.

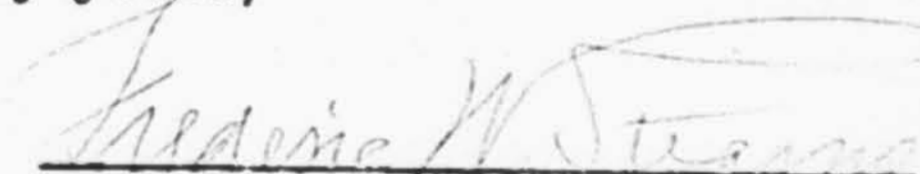
Dear Ed:

I beg to acknowledge receipt of your favor of  
April 5th enclosing copy of letter sent by you  
to the City Water Commission giving your reasons  
why the Cuyamaca system should be purchased by  
the city.

I have read the same carefully and it seems to  
me that you make a very strong case and I assure  
you that you have my best wishes for success in  
this undertaking.

Truly yours,

FWS:S



A. H. SWEET  
FREDERIC W. STEARNS  
CHAS H FORWARD

SWEET, STEARNS & FORWARD  
ATTORNEYS AND COUNSELORS AT LAW  
301-305 UNION BUILDING  
BROADWAY AND THIRD STREET  
SAN DIEGO, CALIFORNIA

TELEPHONES  
PACIFIC MAIN 62  
HOME 1063

May 17, 1921.

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

CITY OF OCEANSIDE VS. VOLCAN  
LAND & WATER COMPANY.

Dear Sir:

We beg to acknowledge receipt of your favor of May 10th in regard to above entitled matter. Replying to same we beg to state that so far as we know there never has been any stipulation with Mr. Britt regarding the trial of this matter or anything which could be regarded in the nature of a stipulation. In our letter to Mr. Stevens we stated fully the conversation which we had with Mr. Britt and in a matter of that kind we do not consider it necessary to have any authorization from our clients to make any such statements or have any such transactions as we had with Mr. Britt in this case.

Furthermore, we consider that it would have been at least courtesy on your part to have advised us that you were trying to make a settlement of this case and not leave us to find out about it through the attorney for the other side. Had you been courteous enough to let us know that you were trying to settle this case we probably would not have had any conversation at all with Mr. Britt regarding the date of trial. As we stated in our letter to Mr. Stevens, we do not regard anything that was said to Mr. Britt as necessarily precluding us from making a motion to dismiss the case and we will prepare such motion at our earliest convenience.

You understand, however, that this dismissal does not in any way prejudice the right of the City of Oceanside or any of the other plaintiffs to immediately file a new suit if they should be so advised. We have done a great deal of work in this case in the way of going over evidence, looking up authorities and various things for which we have never received a cent and we therefore beg to enclose you herewith our bill for such services which we trust will be promptly settled.

Truly yours,

SWEET, STEARNS & FORWARD,

By Frederic W Stearns ✓

FWS:S  
Enc.

SWEET, STEARNS & FORWARD  
ATTORNEYS AND COUNSELORS AT LAW  
301-305 UNION BUILDING  
BROADWAY AND THIRD STREET  
SAN DIEGO, CALIFORNIA

TELEPHONES  
PACIFIC MAIN 62  
HOME 1063

May 17, 1921.

Volcan Land & Water Company & Wm. G. Henshaw

To

Sweet, Stearns & Forward, Dr.

-----  
To services in case of City of Oceanside,  
Et Al vs. Volcan Land & Water Co.,  
Et Al . . . . . \$1,000.00

Received Payment

-----

May 21, 1921

Mr. F. W. Stearns,  
Union Building,  
San Diego, Calif.

Dear Sir:

Answering yours of May 17th, will say  
we are both getting old, and our memories are short.

I want to do the courteous thing by you  
at all times, and I have in this case a distinct  
recollection that I told you that I was negotiating  
direct with Mr. Spencer for Mr. Henshaw, but at no  
time have I ever made a stipulation with either  
Mr. Britt, or Mr. Spencer, or anyone.

Yours very truly,

EF:KIM

cc- J. T.

*original to  
Mr. Stearns*

San Diego, Calif. May 23rd, 1921.

Mr. Ed Fletcher,

San Diego, Calif.

Dear Sir:-

In re City of Oceanside Vs. Volcan Land & Water Co.

I beg to acknowledge receipt of your favor of May 21st. It  
may be as you say that we are both getting old and our memories  
are not what they used to be. I certainly did not intend by my  
letter to be in any way discourteous to you and I desire to be just  
as courteous as you are.

I certainly do not remember of your ever telling me that you  
were negotiating for a settlement in this case prior to the time that  
I learned of the same through Mr. Britt. I did feel considerably  
put out that I had to go to the other side in a case to learn that  
a settlement was being considered, and I felt that our firm had not  
been rightly treated in the matter. But as you say, it is possible  
that my memory is short and that you did speak to me prior to the  
time I say Mr. Britt. I distinctly remember taking the matter up  
with you after my interview with Mr. Britt, but I can not remember  
your ever having said anything about a settlement prior to that  
time. However, we will let by gones be by gones and I will make  
a motion to dismiss the case as soon as I can possibly get around to  
it. You understand of course, that there is nothing to prevent  
their renewing the suit at any time even though this action is  
dismissed.

Truly yours,

FWS-B

Frederic W. Stearns

September 28, 1921

Mr. Ed Fletcher,  
920-8th Street,  
San Diego, Calif.  
My dear Ed:-

I am in receipt of your favor of September 26th. Replying to your questions I will say, that the trip impressed me very greatly. I was particularly impressed with the work that you were doing on the San Dieguito ranch and the "ocular" demonstration which you gave us of what water will do on these mesa lands. So far as the impression made on Mr. Klauber and Mr. Hurlburt is concerned, I am unable to form any opinion. Klauber is very close to Savage and will, I think, take Savage's opinion on any proposition involving water developments. I do not know just how Savage stands on the purchase of water from the San Luis Rey system, but inasmuch as such a purchase would probably let Savage out of a job, I am inclined to believe that he will not be favorably inclined toward the proposition. Savage seems, so far as I can judge, to be now wedded to a development of the San Diego river and I am afraid that his influence with Klauber will be against the Volcan proposition. As to Mr. Hurlburt, I do not believe that he is committed to anything in particular and that he can be swung around in favor of the Volcan proposition. As you know, there is a committee of which Davidson is now chairman in the place of Marston, which is working on water development and which has under consideration a contract with Volcan system. We had one meeting with Trainor at which he submitted a proposition for the purchase of ten million gallons a day. This seemed to most of the members of the committee, to be too large an amount for the city to consider purchasing at this time and Mr. Trainor was asked to consider the matter and submit another proposition involving the present purchase of a smaller quantity. If you have any influence with Trainor, in order to put this deal through, I would suggest that you use that influence to secure a modification of the proposition, so far as the amount of water to be contracted for is concerned.

Please keep this matter about the committee and Trainor's proposition strictly confidential.

Yours very truly,

*Fredric W. Stearns*

FWS-E

September 29, 1921.

Mr. F. W. Stearns,  
301 Union Bldg.,  
City

My dear Stearns:

Answering yours of September 28th,  
I thank you for same.

I have already spoken to Mr. Treaner and am satisfied that a contract for five million gallons a day is o. k., and increasing a gallons a day each year thereafter. Don't you think that will clarify the situation?

I will see you a little later on the subject.

I realized from the beginning that Mr. Klauber is the hard nut to crack, and my object in showing him the San Dieguito Water development was to impress upon him the fact that if they ever want the San Luis Rey water, now is the time to take it.

Very sincerely yours,

EF:AM

*cc. Treaner  
- J. Nelson*

130-5  
San Diego County Water Company

724 South Spring Street  
Los Angeles, California

October 9, 1923.

Col. Ed. Fletcher,  
San Diego,  
California.

My dear Ed:-

Mr. Treanor has just requested me to write you concerning the right of a city to condemn the property of a corporation or company already dedicated to public use and to refer to the comparatively recent effort of the city of Los Angeles to condemn certain property of the Southern Sierras Power Company in the Owens River Valley country.

I have not seen the text of the decision in the case last referred to but it is my understanding that certain lands which were owned by the Power Company and which were already devoted to its use as a public utility, supplying light and power to the public, or which the Power Company contemplated so using in the near future, were sought to be condemned by the city of Los Angeles. The Power Company made the defense that the property in question was already devoted to a public use within the meaning of the law and that the use to which the city proposed to put the property was not a greater one within the meaning of the law which would permit its condemnation. This case was probably decided upon the well recognized principle in the law of eminent domain, that where property is already appropriated for a public use it may not be condemned by another company or agency of the State except upon showing a "more necessary public use than the one to which it has already been appropriated", which rule finds expression in our own Code of Civil Procedure, Section 1240, Subdivision 4.

Mr. Treanor has asked me to give you my off-hand impression as to whether or not the city of San Diego would have the right to condemn the property of the Cuyamaca Water Company which is now devoted to public use or for which there will be such use in the comparatively near future. As to any land, water, or other property which is now used by the company for the purpose of supplying water for irrigation or domestic purposes I would say that the city of San Diego would be unable to condemn such property which, while not now in actual use, would probably be needed on account of the growing demands upon the company for an increased supply of water in the near future. As to what would be considered "the near future" would of course depend upon the facts in each case. Without attempting to be precise I would say that the court would hold that a public utility company would be justified in acquiring and holding property which it would seem would be reasonably required to meet its future demands for serving the public, considering the constantly increasing population and the increasing demand for water consequent thereon, and in determining how far such a company should anticipate the future a court should be guided by what would be considered reasonable and prudent foresight from a business standpoint, and considering the duty of such company

Col. Ed. Fletcher, #2.

as a public agent serving a public need. I do not know that it is possible to state the proposition in a less general way without a knowledge of the precise conditions to be considered.

Many years ago I had occasion to defend an action brought by the Southern Pacific against the Pacific Light & Power Company for the purpose of condemning land for a spur track across the Power Company's Third and Los Angeles Street property and we defeated the action by showing that the reasonable future necessities of the Power Company justified it in holding the property sought to be condemned and that the use for which the property was sought by the Railroad Company was not greater than that to which it was expected to be devoted by the Power Company. I have run across some notes of authorities which I used in that case which I hope it may not be amiss for me to cite you.

1. There must be a liberal consideration of the future needs of the defendant in an action to condemn lands already devoted by it to public use.

Western Union vs. Penn., etc., 120 Fed. 378.  
L.S. & M. etc. vs. New York, etc., 8 Fed. 859.  
Appeal of Pittsburg, etc., 9 Amer. State, 130.  
C.P. Ry. vs. Feldman, 152 Cal. 308.  
Nic. Boon Company vs. Boon Company, 82 Pac. 415.

2. In order to warrant taking property already devoted to public use the necessity therefor must be absolute.

Scranton vs. Railway Company, 73 Amer. State, 800.  
citing Pittsburg Appeal 9 Amer. State 128, 9 Amer. State 133.

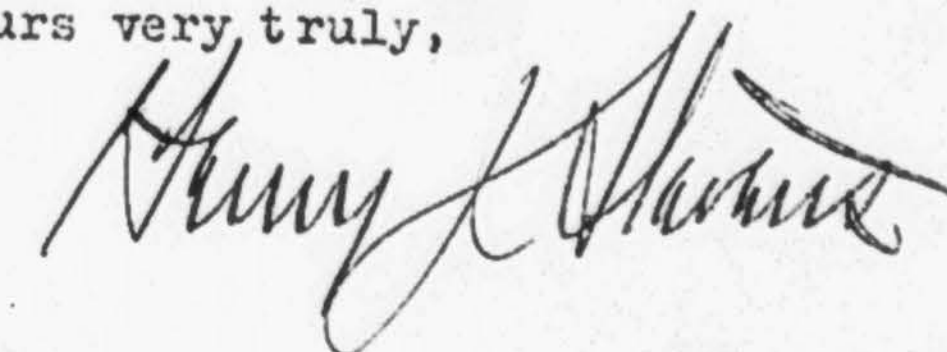
I have not read these cases for many years and hence can make no comment on them. They are taken from some notes that I had in the Southern Pacific case and I am simply giving them to you for what they are worth and with the thought that perhaps they might be of some value to Mr. Crouch or whoever else may represent you.

Since dictating the foregoing I have ascertained that the Sierras Power Company case is reported in 284 Fed. page 784, but I have not the volume before me and am not taking the time to read it before sending you this letter.

With my very kindest regards, I am,

Yours very truly,

HJS-ES



February 4, 1925.

cc - Stearns

Col. Ed Fletcher,  
920 Eighth St.,  
San Diego,  
Calif.

Dear Sir:

Your favor of January 28th addressed to the Board of Directors of La Mesa, Lemon Grove & Spring Valley Irrigation District has been handed to me for attention and reply.

Replying to same I beg to state that Messrs. Crouch & Sanders have been associated with me in two matters. One of the matters is the bringing of a mandamus suit in the Supreme Court to test the validity of the bonds, and the other is defending the suit brought by Brown, et al. seeking to enjoin the issuance of the bonds. As to these two matters, the District expects to settle with Messrs. Crouch & Sanders, but so far as any other litigation in which the Cuyamaca Water Company is involved, the District desires it distinctly understood that it expects the Cuyamaca Water Company to defray all expenses of its own attorneys. This relates particularly to the paramount rights case, the condemnation case of El Capitan, and the suit of Graves v. Cuyamaca Water Company now pending in the Federal Courts.

The District assumes no responsibility and will assume no responsibility whatsoever for any attorneys' fees already incurred or that may hereafter be incurred to Messrs. Crouch & Sanders, or to any other counsel employed in these cases. In other words, the District will pay its own attorneys' fees in these cases, and also in any other cases which are now pending or which may hereafter be brought in which it appears, but it assumes no responsibility whatsoever for any attorneys' fees already incurred or hereafter to be incurred by the Cuyamaca Water Company in the defense of these cases, or any other cases

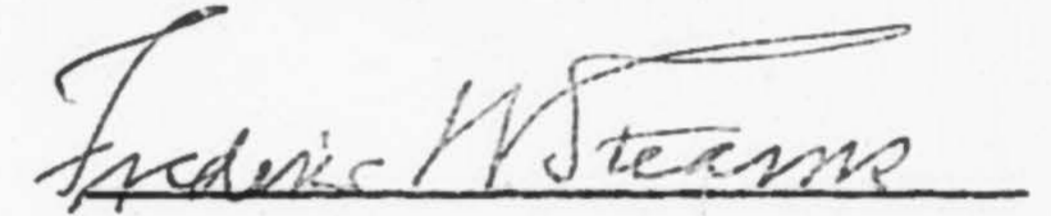
Col. Ed Fletcher - 2.

February 4, 1925.

nor will the District expect to eventually reimburse you for any attorneys' fees which you may incur when a final settlement is made.

In the two cases in which the District alone is involved, the attorneys' fees of Messrs. Crouch & Sanders will be paid by the District, but it will assume no other liability of any kind or nature in regard to attorneys' fees incurred by the Cuyamaca Water Company.

Truly yours,



FWS:BV

February 9, 1925.

Mr. Frederic W. Stearns, Attorney,  
La Mesa, Lemon Grove & Spring Valley  
Irrigation District,  
Union Building,  
San Diego, California.

My dear Mr. Stearns:

Answering your letter of Feb. 4th, in which you set forth the limitation of the District as to its obligation in the matter of payment of attorneys' fees, I am not wholly in agreement with you.

I will take the matter up with our attorneys and would like a conference with you and the District officials the next time Mr. Stern, my associate, comes to San Diego. I am hopeful that we can arrive at an understanding mutually satisfactory.

Yours very truly,

EF:KIM

cc- Mr. Stern  
Ed of Directors of District  
Crouch & Sanders

May 27, 1925.

Mr. Frederic W. Stearns, Attorney,  
La Mesa, Lemon Grove & Spring Valley Irrigation District,  
Union Building,  
San Diego, California.

My dear Mr. Stearns:

I had a talk with Mr. Hall of the Board of Directors of the La Mesa Irrigation District, and told him the decision of Mr. Stern and myself was that a clause should be put in the agreement that the district is to pay for all cost of litigation, said cost of litigation to be reasonable, from date of May 7th, 1925, said payment to be made when the district took the system over.

Mr. Hall agrees to this personally. Will you please prepare the revised copy of the agreement, adding the other features, and let us have it at your earliest convenience for final perusal.

Yours very truly,

EF:KIM

*C. Crouch*  
*Stern*



July 16, 1925.

Col. Ed Fletcher,  
920 Eighth St.,  
San Diego, Calif.

Dear Sir:

I have casually examined the deeds which were deposited in escrow with the Southern Title Guaranty Company in the matter of the sale of the Cuyamaca system to the La Mesa district. While I have not had time to check over the descriptions and see that they are all right, I find that the deed made by W. S. K. Brown as Executor of the Estate of James A. Murray, deceased, is not sufficient in that the deed itself does not refer to any order of court confirming the sale, and no certified copy of such order accompanies the deed.

The Code requires that all sales made by an Executor should be confirmed by the Court and that the deed should refer on its face to the order confirming the sale, a certified copy of which order must be recorded in this County. The deed is made by W. S. K. Brown as Executor of the last will and testament of James A. Murray, deceased, and is signed as such Executor and acknowledged by him as Executor of the Last Will and Testament of Murray. Consequently, it appears upon its face that it is an Executor's deed and without an order of court confirming same, we are forced to hold that the statute has not been complied with and that the deed is utterly insufficient to convey the interest of the late James A. Murray in and to the property.

We call your attention to this matter in order that you may obtain a new deed from Brown as Executor which will comply with the law.

Truly yours,

SWEET, STEARNS & FORWARD

BY *Frederic W. Stearns*  
Frederic W. Stearns-

FWS:BV

*cc - Mr. Brown*

July 18, 1925.

Sweet, Stearns & Forward,  
301 Union Building,  
San Diego, California.

Gentlemen:

Attention: Mr. F. W. Stearns

Answering yours of July 16th, will say that arrangements are all made to issue you a clear certificate of title showing the property in my name free and clear of encumbrance under the terms of our agreement the day that the District puts the money up.

I thank you for your letter, and have sent a copy of same to W. S. K. Brown.

Yours very truly,

WF:AH

July 25, 1925.

Mr. F. W. Stearns,  
Sweet, Stearns & Forward,  
Union Building,  
San Diego, California.

My dear Mr. Stearns:

For your further information relative to the sale of the Cuyamaca System to the La Mesa Irrigation District, Escrow No. 62459, by ringing up Mr. Sears of the Southern Title Guaranty Company, he will inform you that last Tuesday, July 21st, Mary H. Murray deposited her deed with the Southern Title Guaranty Company to Ed Fletcher covering the Cuyamaca System, and that the Cuyamaca Water Company's obligation is fulfilled in the matter of title, awaiting the La Mesa Irrigation District's payment of the money under the terms of the agreement of June 17, 1925, and we are in a position, according to our agreement, to bid \$5 for the bonds of the District in case no higher bid is received.

You may not be aware of the fact that Mr. Murray's interest in the Cuyamaca System under the terms of the will became the personal property of Mary H. Murray. Personally I have never seen any reason why Brown as the executor should have signed a deed, but all concerned seem to think it is necessary to get a deed from him, so we made the thing doubly sure by getting a deed from both parties, and the title company are ready to furnish you with a clear certificate of title whenever the money is forthcoming. This Mr. Sears of the Southern Title Guaranty Company will confirm.

Yours very truly,

EF:AH

*cc. Crouch & Sanders  
La Mesa District*

August 26, 1925.

Mr. Fred Stearns,  
Union Building,  
San Diego, Calif.

My dear Mr. Stearns:

Inclosed find copy of letter that Mr. Hubbell of the Southern Title Guaranty Company yesterday wrote Mr. Hall, for your information. I hope under all the circumstances that June 22nd meets with your approval.

Kindly deliver to bearer, if you have same, the agreement between the District and ourselves with the suggested additions. If you can, I would like two copies so I can send one to Mr. Stern.

Yours very truly,

EF:AH

A. H. SWEET  
FREDERIC W. STEARNS  
CHAS. H. FORWARD

SWEET, STEARN & FORWARD  
ATTORNEYS AND COUNSELORS AT LAW  
301-305 UNION BUILDING  
BROADWAY AND THIRD STREET  
SAN DIEGO, CALIFORNIA

TELEPHONE  
MAIN 860

August 31, 1925.

Col. Ed Fletcher,  
920 Eighth St.,  
San Diego, Calif.

Dear Sir:

Enclosed I beg to hand you copy of the proposed agreement between yourself and Mr. Stern and the La Mesa District.

This agreement has not been submitted to the Board of Directors of the District, and of course, is subject to such changes as they may see fit to make, but I believe that in the main it contains the substance of the agreement between the parties.

Truly yours,

Frederic W. Stearns

FWS:BV  
Encl.

Properly returned as is Stearns contract

175-155 - not deeded reservation

~~city offer off~~

letter from district agree to lawyer fees &  
September 14, 1925. sunny

Reserve  
deed  
copies of way  
report filed  
hallowing  
minutes.

Mr. Fred Stearns,  
Union Building,  
San Diego, California.

My dear Mr. Stearns:

Regarding the reservations in a new contract between Charles F. Stern and Ed Fletcher and the La Mesa Irrigation District, and referring to the original option of April 5, 1924, will say we have deeded all the lands to the 175 foot contour in Fletcher damsite, said 175 foot contour being the 1015 foot contour line above sea level, U. S. G. S. datum.

The District in this new contract should agree to re deed us within 10 years from date all lands lying between the 985 and 1015 foot contour, in case the dam is not built to its full height - 175 feet.

The description of all the Fletcher reservoir lands, being Parcel 2, of the deed, is legally described as follows:

All that portion of the Northwest Quarter of the Northeast quarter, the Southwest Quarter of the Northeast quarter, the Southeast Quarter of the Northwest Quarter and the Southwest quarter of Section 36, Township 13 South, Range 2 East, S. B. M., the Southeast Quarter of the Southeast quarter and the Southwest Quarter of the Southeast quarter of Section 33, Township 13 South, Range 2 East, S. B. M., the Northeast Quarter of the Northwest quarter and the Northwest Quarter of the Northwest Quarter of Section 1, Township 14 South, Range 2 East, S. B. M., the Northeast Quarter, the East Half of the Southwest Quarter, the Northeast Quarter of the southeast quarter, the West Half of the Southeast Quarter and the West Half of the West Half of the southeast Quarter of the Southeast Quarter of Section 2, Township 14 South, Range 2 East, S. B. M., lying and being below the 1015 foot contour line above sea level, U. S. G. S. datum.

Another reservation is that Stern and I get the hunting, fishing and boating privileges on Cuyamaca Lake for fifteen years from September 1, 1925, Fletcher Lake and El Capitan Lake when built for fifteen years under a contract leaving the lakes open to the public at all times at

rates established by the Board of Directors for the District for hunting, fishing and boating. The District shall be under no expense whatever in relation thereto, and shall be paid 25% of the gross receipts thereof monthly - say on the 15th of each month for the preceding month.

Third: The District agrees to furnish us water at a master meter at the east line of East San Diego City limits, the price of said water to be 9¢ per hundred cubic feet until such time as this rate may be changed by competent authority, and we further agree not to ask for a rehearing or re-reading for a period of three years from date. The above is for domestic water.

For any irrigation water sold, I had a verbal understanding with either Mr. Hall or Mr. Halley - I don't remember which - that the irrigation rate was to be 7¢, but of course we are not going to encourage any irrigation sales whatever.

You should put in there that the water is to be either state or city board of health standard.

Fourth: You are to have the option for five years from date of April 5, 1924 to purchase Mission Gorge damsite and all lands to be flooded which we control, approximately 300 acres, together with all surveys, water filings, water rights, core drillings, records, etc. for the sum of \$150,000. This option to hold good for one year from date of April 5, 1924 without interest. Thereafter we are to be paid 6% interest on the \$150,000, plus actual taxes that may accrue provided that said interest and taxes shall be payable when and if this option is exercised, and it is understood that the Irrigation District is under no obligation unless it sees fit to exercise this option.

Another clause gives in perpetuity the District the right to build Fletcher Dam, South Fork Dam, El Capitan Dam, and to operate the El Monte pumping plants or any enlargement thereof, but if the option to the Mission Gorge damsite No. 3 is not exercised, our water filings at Mission Gorge No. 3 we are to retain, and in the construction of the Mission Gorge Dam we are to only impound such water that may pass over any of the dams above mentioned or which cannot be impounded by the construction of said dams or the continued operation of such El Monte pumping plant as is now installed or, may hereafter be installed.

Another reservation is that the Mission Gorge Dam No. 3, if built by the City or anyone else and the option is exercised, it must be kept open to the public subject to the usual restrictions and conditions placed on all other lakes by the District or by the City Council of San Diego in case San Diego should acquire Mission Gorge No. 3.

Referring to the further option of May 4, 1925, the deed will carry the reservation subject to payment of all the state and county taxes for the year 1925 and a general reservation subject to all rights-of-way heretofore granted for county roads, telephones, power, etc., and subject to being within the boundaries of the La Mesa Irrigation District, also subject to a reservation that the title to the lands flooded by the Cayamaca Reservoir is subject to a reversionary interest to the Waterman Estate in the event that the said lands cease to be used for reservoir purposes, and the District agrees to take said title subject to such reversionary interest. The last above will be shown in the deed.

Referring to the agreement of June 13, 1925, there should be added a reservation in the deed or in the contract that the District takes this property subject to all litigation now pending or which may hereafter be brought, at any time before the final consummation of the sale.

~~The new contract should also have a clause making null and void all of Section 4 in our contract of the 13th of June, 1925 unless said City of San Diego accepts the compromise on or before the 1st of December, 1925.~~

The above is all I can think of at the present time. I have not gone over this matter with our attorney.

Yours very truly,

*Ed Fletcher*

ED FLETCHER

EF:AH

September 14, 1925.

Mr. Fred Stearns,  
Union Building,  
San Diego, California.

My dear Mr. Stearns:

Regarding the reservations in a new contract between Charles F. Stern and Ed Fletcher and the La Mesa Irrigation District, and referring to the original option of April 5, 1924, will say we have decided all the lands to the 175 foot contour in Fletcher damsite, said 175 foot contour being the 1015 foot contour line above sea level, U. S. G. S. datum.

The District in this new contract should agree to re deed us within 10 years from date all lands lying between the 985 and 1015 foot contour in case the dam is not built to its full height - 175 feet.

The description of all the Fletcher reservoir lands, being Parcel 2, of the deed, is legally described as follows:

All that portion of the Northwest quarter of the Northeast quarter, the Southwest quarter of the Northeast quarter, the Southeast quarter of the Northwest quarter and the southwest quarter of Section 36, Township 13 South, Range 2 East, S. B. M., the Southeast quarter of the Southeast quarter and the Southwest quarter of the Southeast quarter of Section 33, Township 13 South, Range 2 East, S. B. M., the Northeast quarter of the Northwest quarter and the Northwest quarter of the Northwest quarter of Section 1, Township 14 South, Range 2 East, S. B. M., the Northeast quarter, the East Half of the Southwest quarter, the Northeast quarter of the Southeast quarter, the West Half of the Southeast quarter and the West Half of the West Half of the Southeast quarter of the Southeast quarter of Section 2, Township 14 South, Range 2 East, S. B. M., lying and being below the 1015 foot contour line above sea level, U. S. G. S. datum.

Another reservation is that Stern and I get the hunting, fishing and boating privileges on Cuyamaca Lake for fifteen years from September 1, 1925, Fletcher Lake and El Capitan Lake when built for fifteen years under a contract leaving the lakes open to the public at all times at

rates established by the Board of Directors for the District for hunting, fishing and boating. The District shall be under no expense whatever in relation thereto, and shall be paid 25% of the gross receipts thereof monthly - say on the 15th of each month for the preceding month.

Third: The District agrees to furnish us water at a master meter at the east line of East San Diego City limits, the price of said water to be 9¢ per hundred cubic feet until such time as this rate may be changed by competent authority, and we further agree not to ask for a rehearing or re-reading for a period of three years from date. The above is for domestic water.

For any irrigation water sold, I had a verbal understanding with either Mr. Hall or Mr. Halloy - I don't remember which - that the irrigation rate was to be 7¢, but of course we are not going to encourage any irrigation sales whatever.

You should put in there that the water is to be either state or city board of health standard.

Fourth: You are to have the option for five years from date of April 5, 1924 to purchase Mission Gorge damsite and all lands to be flooded which we control, approximately 800 acres, together with all surveys, water filings, water rights, core drillings, records, etc. for the sum of \$150,000. This option to hold good for one year from date of April 5, 1924 without interest. Thereafter we are to be paid 6% interest on the \$150,000, plus actual taxes that may accrue provided that said interest and taxes shall be payable when and if this option is exercised, and it is understood that the Irrigation District is under no obligation unless it sees fit to exercise this option.

Another clause gives in perpetuity the District the right to build Fletcher Dam, South Fork Dam, El Capitan Dam, and to operate the El Monte pumping plants or any enlargement thereof, but if the option to the Mission Gorge damsite No. 3 is not exercised, our water filings at Mission Gorge No. 3 we are to retain, and in the construction of the Mission Gorge Dam we are to only impound such water that may pass over any of the dams above mentioned or which cannot be impounded by the construction of said dam or the continued operation of such El Monte pumping plant as is now installed or may hereafter be installed.

Another reservation is that the Mission Gorge Dam No. 3, if built by the City or anyone else and the option is exercised, it must be kept open to the public subject to the usual restrictions and conditions placed on all other lakes by the District or by the City Council of San Diego in case San Diego should acquire Mission Gorge No. 3.

!

Referring to the further option of May 4, 1925, the deed will carry the reservation subject to payment of all the state and county taxes for the year 1925 and a general reservation subject to all rights-of-way heretofore granted for county roads, telephones, power, etc., and subject to being within the boundaries of the La Mesa Irrigation District, also subject to a reservation that the title to the lands flooded by the Cayamca Reservoir is subject to a reversionary interest to the Waterman Estate in the event that the said lands cease to be used for reservoir purposes, and the District agrees to take said title subject to such reversionary interest. The last above will be shown in the deed.

Referring to the agreement of June 15, 1925, there should be added a reservation in the deed or in the contract that the District takes this property subject to all litigation now pending or which may hereafter be brought at any time before the final consummation of the sale.

The new contract should also have a clause making null and void all of Section 4 in our contract of the 13th of June, 1925 unless said City of San Diego accepts the compromise on or before the 17th of December, 1925.

The above is all I can think of at the present time. I have not gone over this matter with our attorney.

Yours very truly,

EF:AM

A. H. SWEET (DECEASED)  
FREDERIC W. STEARNS  
CHAS. H. FORWARD

ELWIN L. ECKERT

SWEET, STEARNS & FORWARD  
ATTORNEYS AND COUNSELORS AT LAW  
301-305 UNION BUILDING  
BROADWAY AND THIRD STREET  
SAN DIEGO, CALIFORNIA

TELEPHONE  
MAIN 0170

August 18, 1926.

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

Dear Sir:

I am in receipt of a letter from Mr. Harritt advising me that the La Mesa, Lemon Grove & Spring Valley Irrigation District have paid to the First National Bank the sum of \$8043.97 which was to be paid by the City of El Cajon and was guaranteed by the Cuyamaca Water Company. This indebtedness was for certain personal property more particularly described in the Bill of Sale enclosed herewith.

The District has taken over the operation of the distributing system in El Cajon and as a part of the agreement they agreed to pay the outstanding indebtedness to the First National Bank of \$8043.97. This indebtedness has now been paid by the District and Mr. Harritt feels that we should have from the Cuyamaca Water Company a Bill of Sale for the property.

On the 31st day of August, 1923, the Cuyamaca Water Company executed to the City of El Cajon, a municipal corporation of the sixth class, a Bill of Sale for this property. This Bill of Sale was never recorded and was delivered by the City of El Cajon to Mr. Harritt for the District and the same is now in the possession of Mr. Harritt, so there seems to be no reason why the District having paid the indebtedness to the Bank, a new Bill of Sale should not be executed by the Cuyamaca Water Company direct to the District.

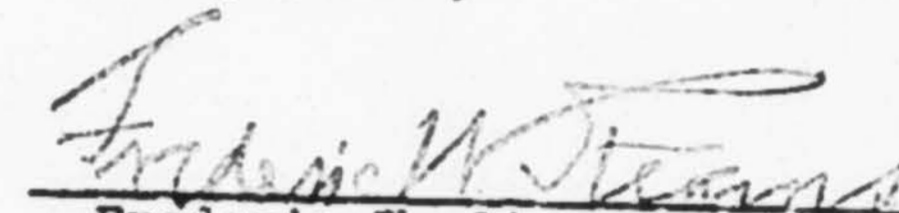
We enclose a Bill of Sale which is a duplicate of the Bill of Sale executed to the City of El Cajon, only

Col. Ed Fletcher-2.

August 18, 1926.

that the La Mesa District is named as grantee therein, and would ask that you kindly execute the same and send it out to Mr. Harritt for the District. Mr. Harritt has in his possession the original Bill of Sale executed to the City, and doubtless upon receipt of the Bill of Sale executed to the District, he will return to you the Bill of Sale heretofore executed to the City.

Truly yours,

  
Frederic W. Stearns-

FWS:BV  
Encl.

August 20, 1926.

Mr. Frederic W. Stearns,  
301 Union Building,  
San Diego, California.

My dear Mr. Stearns:

Answering yours of August 18th,  
assuming that your statement of the facts is true  
as stated, and without investigation, the Cuyamaca  
Water Company has signed the bill of sale and  
same has been sent to the La Mesa Irrigation District,  
Attention: Mr. Harritt.

Yours very truly,

EF:AG

January 25, 1928

Mr. T. H. King,  
La Mesa, Lemon Grove & Spring Valley  
Irrigation District,  
La Mesa, Calif.

Dear Sir:

Replying to your favor of January 21st, we beg  
to state:

In our opinion, under the provisions of the  
Irrigation District Act and the decision interpreting  
said provisions, there seems to be no doubt that the  
Irrigation District would have the power to make a lease  
of its gathering facilities, including its water rights,  
flumes, reservoirs and other works of that description.

As to the option for the purchase of said prop-  
erty to be contained in the lease, there is some doubt in  
our minds. The Board of Directors of the District have  
power under the Irrigation District Act to sell and dispose  
of property which is no longer used or useful for the pur-  
poses of the District. Under this power if it could be  
shown that the District no longer needed its gathering sys-  
tem for the reason that it had a firm and binding obligation  
from the City of San Diego to supply the inhabitants and  
water users in said District with water, it would seem as  
though the gathering facilities of the District would be  
no longer used or useful for the purpose of supplying water,  
but the water would be obtained from the City.

This question, however, has, so far as our investi-  
gations go, never been passed upon by the Supreme Court of  
California and therefore we cannot express any definite  
opinion upon the validity of such an option. The legis-  
lature of California undoubtedly have the power to pass a  
law authorizing the District to sell its property, and in-  
asmuch as this question of the right of the District to  
sell would not arise for many years to come, and in the mean-  
time, an act for that purpose could probably be put through  
the legislature which would have the effect of ratifying  
any agreement theretofore made for the sale of such property,  
we believe the District would be justified in making such  
lease with the option of purchase to the City, but we cannot



Mr. T. H. King - .2

January 25, 1928

express a definite opinion upon what the effect of such option would be.

Inasmuch as the want of power on the part of the District to make such a contract would affect the City of San Diego more than it would the District, we feel that the District might be justified in entering into such a lease and option, provided the City is willing to accept the same.

Truly yours,

SWEET STEARNS & FORWARD

BY FREDERIC W. STEARNS (Signed)

FWS:BV

I got this at the request of James O'Keefe, city attorney Took it to him 1-30-28 and it met with his approval and he will this week submit a formal proposal thru the city council to the district for a compromise on the water situation.

The article in the Sunday morning Union was printed in direct violation to the pledge of secrecy and O'Keefe is the authority that MacMullen inspired it.

## PRICE EXCEEDS ONE MILLION, LATE REPORT

1/25/28  
UNION  
Secrecy Shrouds Details of  
Proceedings on El Capitan  
Site Compromise Dealing  
With La Mesa Directors.

Plans for a "compromise" of the San Diego river controversy, according to reports at La Mesa yesterday, contemplate the purchase by the city of San Diego of all the holdings of the La Mesa Irrigation district, including Murray dam, Cuyamaca dam, the flume and water rights, and El Capitan dam site. Mission gorge site No. 8, owned by the Ed Fletcher interests, would be included in the deal, it was said.

Just how much the city would have to pay for these properties could not be learned, but it was reported that the price will be in excess of the million mark. The city would be obligated, after taking over the district and Fletcher properties, to furnish water to the district. Up to a certain amount, this would be below cost of production and the remainder would be supplied at cost.

### POLICY OF SECRECY

No verification of this report or any detail of the plan has been divulged at the city hall. Mayor Clark, Councilman Maize and City Attorney O'Keefe, who are handling negotiations for the city, are adopting a policy of deepest secrecy. Numerous conferences have been held with Engineers King and Harriett, representing the La Mesa district and Ed Fletcher, owner of dam site No. 8, who sold the Cuyamaca properties to the district several years ago, is said to have attended conferences in the city attorney's office.

The "compromise" plan now is thought to be before the directors of the La Mesa district for consideration. If it is approved by them, it will be submitted to the city council, at which time the details will be made public.

### EXPLORING NEW SITE

If the council or people approve the plan of settlement, litigation over the river rights would be at an end, so would be other riparian owners along the river who might have to be dealt with separately.

The city has unsold bonds on hand with which to construct a dam at El Capitan, but the work has been held up for several years because of the city's inability to procure the El Capitan dam site from the district at a reasonable price. The city now is exploring another dam site known as El Capitan No. 3, at which Engineer Williams says he is finding a good foundation. The land constituting this dam site is owned by the city.

**Ed Fletcher Papers**

**1870-1955**

**MSS.81**

**Box: 27 Folder: 20**

**General Correspondence - Stearns, Frederick W.**



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