

Jones agreement

August 1st, 1919.

Mr. W. G. Henshaw,
762 Mills Building,
San Francisco,
Calif.

My dear Mr. Henshaw:-

I took up the question of getting the contract out with Jones last Monday. He agreed to have Stearns draw up a rough draft of it immediately and send it up to Chickering. I was out with the City Water Commission Wednesday, and went over the Syndicate proposition on Thursday with Dr. Janss of the Janss Investment Company. On my return Thursday afternoon I found that both Stearns and Jones were out of the city. I have received no copy of any agreement which Jones was to draw up.

I do hope that this matter can be straightened out and a contract drawn up at an early date, as we are losing time on the formation of our Municipal Water District.

Yours very sincerely,

EF/LCW

POSTAL TELEGRAPH - COMMERCIAL CABLES

CLARENCE H. MACKAY, PRESIDENT.

COUNTER No.
TIME FILED

M

TELEGRAM

CHECK

Night Letter

The Postal Telegraph-Cable Company (Incorporated) transmits and delivers this message subject to the terms and conditions printed on the back of this blank.

SEND the following Telegram, subject to the terms on back hereof, which are hereby agreed to.

[DESIGN PATENT No. 40529]

2-676

San Diego, Calif.
Aug. 3rd, 1919

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

Jones sent agreement to Chickering yesterday I know you will not accept it in present form. Have few suggestions to make. Hope you can see Chickering and come down Monday night for important conference on this matter and several others, including very important cement conference ~~to~~ should be held between Treanor you and me Tuesday.

Ed Fletcher.

Chg Ed Fletcher Co.

Bernardo Ranch

San Diego, California.
August 8th, 1919
(Dict. Aug. 1st.)

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

My dear Mr. Henshaw:

Enclosed herewith find statement showing the cost of the Bernardo Ranch and the date we purchased it. I don't see where Lees gets his figures of \$155,000.

To this cost price should be added the taxes and expenditures for fences, houses, pumping plant, etc., and credits for crops sold. There should also be allowed the following credit: 251 acres flooded, at \$75.00 per acre, \$17,325, which is the price you paid Fenton. Also, a good big credit should be allowed for riparian rights giving consent to build the Pamo and Sutherland Dams.

The Bernardo Ranch has over two miles of riparian rights, and the entire tract is riparian to the stream.

I understand that the Government is at work in Los Angeles already, with the Warners project. I have sent up all the reports and records that would aid them. I sent none of Post's reports. Have sent them copies of all our surveys or reservoir sites and rights of way. I felt it was cheaper for them to do their office work in Los Angeles so that we would not have to pay their board bill in San Diego.

I have a receipt for the \$1500 that we forwarded them the resolution authorizing the signing of the contract.

I have been out with the City Water Commission over the Volcan System, and they are

San Diego, California.
August 11th, 1919

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

My dear Mr. Henshaw:

I have read with interest the letter from Mr. Black, addressed to you under date of August 6th, in relation to the contract between F. & W. Thun Co. and Murray, Henshaw and Fletcher. It is my impression that Mr. Black's criticism is good and his point well taken.

The one vital benefit that we get by this contract is the right to build a major dam at the head of our flume, without litigation and annoyance, and without putting up a dollar. With the added advantage of having any damages arbitrated by the State Water Commission of California rather than decided by expensive litigation. It seems to me the advantage is all on our side.

I suggest that the contract be redrawn to conform to Mr. Black's criticism, signed by you, and returned, so we can get this matter adjusted at an early date.

It is imperative that we show the Railroad Commission that we are making active efforts both in the acquisition of the dam site, and in settling with the riparian owners, because we are now at the parting of the way: San Diego is going to throw up its hands soon if we continue active in this matter, but if we do not, they are going to build El Capitan and then we will have litigation for further orders. A copy of this letter has been sent to Mr. Black.

Yours very truly,

EF/bm
cc PBC

-2- WGH

unanimously enthusiastic. I have talked Municipal Water District, and they have asked me to make a report of the Volcan to them, and also outline to them the proposed Municipal Water District. They want to take credit for starting the Municipal Water District, themselves.

I will be in Los Angeles next Tuesday, returning Tuesday night. Governor Stephens gets here on the 6th, and I am one of the Executive Committee to look after the Governor. The Pacific Fleet gets here the 7th.

Yours very truly,

EF/bm
encl

AUGUST
15
1919

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

My dear Mr. Henshaw:

Enclosed find letter from the F. & W. Thum Company which is explanatory.

There is going to be a change in the Water Commission within the next few weeks. It is a mistake to let this matter drag. I hope when the next contract comes up you will see that it is signed immediately by Mr. Black and send it to San Diego for me to sign.

I have asked the F. & W. Thum Company to redraw the contract.

Yours very truly,

EF/VBS
Encl.

Form 1207

CLASS OF SERVICE DESIRED	
Telegram	
Day Letter	
Night Message	
Night Letter	

Patrons should mark an X opposite the class of service desired; OTHERWISE THE MESSAGE WILL BE TRANSMITTED AS A FULL-RATE TELEGRAM

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

Receiver's No.
Check
Time Filed

Send the following message, subject to the terms DAY LETTER.
on back hereof, which are hereby agreed to August 15th, 1919

To William G. Henshaw,

Street and No. 762 Mills Building,

Place San Francisco, California.

Jones Chairman of committee making report to Citizens committee of thirty tomorrow on water question. Jones leaving here Sunday for two weeks trip. Will be in San Francisco Wednesday. Very important in order to get things started he makes favorable recommendations in committee report before he leaves. Urge you wire me telegram can show Jones that undoubtedly Chickering agreement will be signed with minor corrections. Please send same today if meets your approval.

Ed Fletcher.

Charge Ed Fletcher Company.

SENDER'S ADDRESS
FOR ANSWER

SENDER'S TELE-
PHONE NUMBER

William G. Henshaw
Mills Building
San Francisco

August 15, 1919.

Col. Ed Fletcher,
San Diego, California.

Dear Ed:

Answering yours of August 7 in which you say that you think it was a mistake that I did not decide on that Rincon agreement:

I desire to say that after many futile efforts I finally got a hold of Mr. Huber and he, Black and I talked the whole matter over. Huber advised against signing it at this time anyway, as he didn't see that we were jeopardizing our interest and was inclined to think that we had better stand pat upon the agreement made with the Escondido Mutual Water Company. It was finally decided that when Huber came back, he and Black would go over the matter again and then come to a final conclusion but so far Huber has failed to report to Black for that discussion.

If you come up the first of the week, I think it would be a good idea for us all to get together and come to a definite conclusion.

Yours truly,

Wm. G. Henshaw

WGH

Mr. Henshaw personally dictated this letter and had to leave the office before it was ready for his signature.

August 16th, 1919.

Mr. William G. Henshaw,
762 Mills Building,
San Francisco, Calif.

My dear Mr. Henshaw:-

Enclosed please find copy of a letter
to Mr. James A. Murray, which is self-explanatory.

You will be pleased to know that petitions
for the formation of the San Luis Rey Irrigation District
will be circulated this week. You will remember I got
Richardson, attorney for the City of Oceanside, to write
Davis, and the letter that he received in reply has en-
couraged them to go ahead immediately with the formation of
the district. There is no question but that the Recla-
mation Service will be glad to co-operate with any district
in case the Volcan System is acquired.

Yours very sincerely,

EF/LCW
Enclosure.

August 18th, 1919.

Mr. William G. Henshaw,
762 Mills Building,
San Francisco, Calif.

My dear Mr. Henshaw:-

Answering yours of August 15th; will say that the
one danger of our not signing up a contract with the Gov-
ernment in relation to Pala and Rincon rights affecting
Warner's, is that the Government can use this as a club,
and they would not hesitate to use it - the Reclamation
Service men - in hammering down the price. All that is
necessary for them to do is to say a word to the Indian
Service, and you can count on a good-sized scrap if they
should want to take advantage of the situation.

Very sincerely yours,

EF/LCW

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols
appears after the check (number of
words) this is a day message. Other-
wise its character is indicated by the
symbol appearing after the check.

WESTERN UNION TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols
appears after the check (number of
words) this is a day message. Other-
wise its character is indicated by the
symbol appearing after the check.

RECEIVED AT 936 5TH ST., SAN DIEGO, CALIF.

A158GS³³
SAN FRANCISCO CALIF 1253P 18

1919 AUG 18 PM 1 08

COL ED FLETCHER

920 8 ST SANDIEGO CALIF

CHICKERING NOT RETURNED AT NOON. BLACK HAS TO BE IN SANDIEGO THURSDAY
MORNING COULD NOT CHICKERING COME TO SANDIEGO FRIDAY OR SATURDAY
AND WE ALL GET TOGETHER AND STRAIGHTEN UP. CONTRACT ANSWER QUICK.

WM G HENSHAW.

Longwell letter

August 22nd, 1919.

Mr. William G. Henshaw,
762 Mills Building,
San Francisco,
Calif.

My dear Mr. Henshaw:-

Enclosed please find copy of a letter
from Mr. John S. Longwell, the Engineer representing
the U. S. Reclamation Service, in regard to construc-
tion costs on some of the Reclamation Projects. I
am sure this letter will be of interest to you.

Very sincerely yours,

EF/LCW
Enclosure.

William G. Henshaw
Mills Building
San Francisco

Jones agreement.

August 22, 1919.

WESTERN UNION
TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

CLASS OF SERVICE	SYMBOL
Day Message	
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 936 5TH ST., SAN DIEGO, CALIF.

A36323 36

SAN FRANCISCO CALIF 210P 22

1919 AUG 22 PM 2 27

COL ED FLETCHER

920 8 ST SANDIEGO CALIF

HAVE SIGNED AGREEMENT WITH JONES AM FORWARDING YOU COPY HE
SAYS RESOLUTION WILL PROBABLY BE PASSED ALTHOUGH HE IS TRYING TO
STOP IT HE TALKED WITH STERNS ON PHONE ~~YESTERDAY~~ EXPECT TO BE IN
LOS ANGELES MONDAY

WM G HENSHAW

Col. Ed Fletcher,
920 - 8th St.,
San Diego, Cal.

Dear Ed:

Jones and I finally signed the agreements this noon and he and Allen have started North on his vacation planning to stay over a day or two at Eden Valley.

I am leaving today for Santa Barbara and expect to arrive in Los Angeles Sunday evening so as to be on hand early Monday morning.

Jones told me, as mentioned in my wire to you of this date, that he had talked with Sterns *about the resolution* and although Sterns would do everything he could to stop it, he was afraid that the resolution would certainly be passed by the council next Monday night. Jones seemed to think that the matter could be killed later on and will communicate with Sterns, who has the matter in charge, and take the matter up vigorously upon his return.

I enclose you the copies of the contracts and would suggest that you show these final ones to Black as they have been changed somewhat since he last saw them. This will enable him and you to draw the contracts with Sterns and Forward in harmony with the conditions contained in these contracts.

Yours truly,

W. G. Henshaw

WGH

August 23rd, 1919.

Mr. Wm. G. Henshaw,
C/o Riverside Portland Cement Co.,
640 Title Insurance Building,
Los Angeles, Calif.

*Jones
agreement.*

My dear Mr. Henshaw:-

I received your telegram and I am glad to know that you have signed the Jones agreement. I am sure you will not regret it.

The hearing is set for Monday with the City Council. I hope that the City Council matter can be stalled.

Enclosed find clipping that may be of interest.

The Oceanside Board of Trade unanimously decided to go ahead and secure petitions for the formation of the San Luis Rey Irrigation District, and we will have the petitions out in a couple of weeks.

Very truly yours,

EF/LCW
Enclosure.

SEPTEMBER
2
1919

Mr. Wm. G. Henshaw,
762 Mills Building,
San Francisco, Calif.

Dear Sir:

Will you please have, by return mail, sent me a copy of the agreement between the San Dieguito Mutual Water Company and the Volcan Water Company, or yourself, as to the relative rights in the water supply of the San Dieguito River.

This is for the Reclamation Service.

Yours very truly,

EF/VBS

William G. Henshaw
Mills Building
San Francisco

September 5, 1919.

Col. Ed Fletcher,
San Diego, Cal.

Dear Ed:

Answering yours of the 3d: I am sorry to see that you are uneasy about the efforts of Cosgrove to stir up the El Capitan matter. The letter from Johnson is, in effect, along the same lines. Let them start in with their condemnation proceedings if it can't be avoided. The litigation would be so long that I do not believe that the city will await the conclusion of the proceedings before solving their water problem. Of course, they would like to "stampede" into some other solution that would be more satisfactory to some of these gentlemen.

I don't think it would be wise to enter into a contract to sell four or five million gallons of water to the city. This would not solve their water problem and would merely furnish an excuse to the chronic objectors to oppose any proper settlement of the water trouble. In fact, I am confident that any man who has the interest of the city at heart should not favor any such arrangement.

I will only suggest, in closing, that you turn this matter over to Jones and see what he can do and in the meantime don't worry and make yourself uncomfortable over the problem.

Yours truly,

Wm. G. Henshaw

WGH

P.S. Under present arrangements, I will arrive in Los Angeles Monday morning and will get you on the telephone.

September 18th, 1919.

Mr. William G. Henshaw,
762 Mills Building,
San Francisco, Calif.

Dear Mr. Henshaw:-

Enclosed find report of the Highway Commission, which is self-explanatory. By a two to one vote I saw the opportunity to get the Highway Commission committed to a concrete pavement. I will tell you all about it next time I see you.

A conference is on between Mr. Clotfelter, the City Attorney, and L. A. Wright, attorney for the banks, in the matter of the San Dieguito contract.

What I am trying to do is to arrange so that we can keep that 3¢ a thousand gallons, at least until such time as it is sold to an Irrigation District; you and I to finance the building of a pipe line from the city limits to La Jolla on a 7% basis, the city to pay 7% and 20% of cost of pipe line each year until paid. It is a 10-year contract, delivered at La Jolla, 2 million gallons daily at 10¢ at La Jolla. We will be making our 3¢ per thousand gallons, or \$60. per day profit until such time as it is sold to the District.

I hope to get the banks to finance the deal for the city, we to put in your note and mine as additional security until the pipe line is paid for, but all the money for financing to come from the banks on a 7% basis.

If you have any better plan to suggest, I should like to hear from you.

Very truly yours,

EF/LCW
Enclosure.

William G. Henshaw
Mills Building
San Francisco

September 18, 1919

Mr. Ed. Fletcher
San Diego, Cal.

Dear Mr. Fletcher:

Mr. Henshaw has requested me to drop you a line and ask you to forward to him the letter which he wrote to Messrs Stearns, Forward, & Sample and to which you obtained their signatures accepting the propositions.

Yours very truly,

Wm. G. Henshaw

WHM:ME

William G. Henohaw
Mills Building
San Francisco

September 18, 1919

Mr. Ed. Fletcher
San Diego, Cal.

Dear Ed:

Your wire of even date duly received.
I had just signed the Cuyamaca Commission Con-
tract which you referred to and they will go
forward to you by this same mail.

As far as drawing upon me for the \$5000
you requested in a letter which I found upon my
return, I do hope you will not find this necessary.
If the worst comes to the worst, can't you tell
him that I owe you \$5000. and that you had agreed
to take a ninety day note; and turn that over to
him or leave it for collection in the bank for
his account. If this does not meet your diffi-
culties, wire me and I will try to arrange for
payment in cash.

Yours very truly,

W. G. Henohaw

WGH:ME

William G. Henohaw
Mills Building
San Francisco

September 18, 1919

Mr. Ed. Fletcher
San Diego, Cal.

Dear Ed:

I want again to thank you and congratulate
you upon putting through the resolution for concrete
highways. I am delighted that you have been able to
get the road to San Ysabel and up the San Luis Rey
River. I realize that this is the first step, but I
certainly have confidence that you will be able to
win out in this fight.

Yours very truly,

W. G. Henohaw

WGH:ME

William G. Henshaw
Building
San Francisco

San Luis Rey

39

September 18, 1919

Mr. Ed. Fletcher
San Diego, Cal.

Dear Ed:

I inclose a letter from Spencer
to you, which you forwarded to me on August
15th, and requested me to return.

Yours very truly,

Wm. G. Henshaw

WGH:ME

San Diego, California.
September 20th, 1919

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, California.

My dear Mr. Henshaw:

Referring to our conversation when you
were in San Diego with Mr. Black and Mr. Lees
about two weeks ago, will say, that in case you
decide to deed your water properties to a cor-
poration controlled by your children, I feel
I am, in all fairness, entitled to a contract
with the new corporation as soon as the water
properties have been deeded; said contract to
cover the definite agreements heretofore made
between you and me.

Our written agreement is that I am to
have half of any profits from the sale of the
Volcan system, so called, after you have had the
return of your money - the actual cost of these
properties - and 6% interest. The agreed price
between us being \$1,500,000, as of date, May
22nd, 1914. The properties to include those
properties offered free and clear of encumbrance
to the City of San Diego on that date.

In addition to the agreed amount of
\$1,500,000, you of course, are to be paid for
any taxes and any additional expenditures made
in the development of the Volcan project since
that date.

Since that agreement was made, we have
sold the Carrol dam site and reservoir site and
water rights below, and have agreed that the
sum of \$350,000 is a fair credit, and is to be
credited to the cost of the Volcan project, leaving
\$1,150,000 as the cost of the revised Volcan pro-
ject which includes Warners, Sutherland and Pamo,
as outlined in your letter of May 22nd, 1914, to the City, to
which, of course, is to be added the interest,
taxes and expenditures on the project since that

date, whenever the Volcan project is sold.

Our agreement also calls for my securing of one half the profits from the sale of the San Dieguito Mutual Water Co. system, that come to you through your stock interest, after you have received your \$350,000. and 6% interest.

I voluntarily agreed that one half of any commission which I got from the sale of the San Dieguito Mutual Water Company system, from the San Dieguito Mutual Water Company, or one half the commission which I receive from Mr. Kerckhoff for the sale of the Oceanside Mutual Water Company, or one half of any profits that we may make in the sale of water to the City of San Diego by way of La Jolla, as well, is to go to you.

While our written agreement does not particularly specify, of course it is understood that when we do sell Warners, Sutherland and Pamo, if we are compelled to include other lands which were not included in the original proposition made by you to the City on May 22nd, 1914, then, in that case you should and will be allowed a reasonable additional valuation for the acreage added and not included in the original offer to the city. To illustrate: Your offer to the City, of May 22nd, 1914, calls for only 2960 acres of land to be conveyed to the City. If we are compelled to sell either to a District or to the Government or anyone else, additional acreage, of course the added value of these lands should be charged against the project before any profits are determined. And if we cannot agree on the value of these lands, I shall be perfectly satisfied to leave that question to arbitration in the usual manner.

I suggest that you authorize Mr. Lees to take this matter up with me the next time he comes down, and together we can formulate a new contract which can be submitted to you for your approval, and which I desire to have the new corporation approve as soon as the corporation is organized and the property transferred, so that there can be no misunderstanding as to my position.

It is possible that you might die at any time, and I feel that my peace of mind and that of Mrs. Fletcher should be taken into consideration, and a definite agreement with the new corporation made. I shall certainly appreciate a letter from you granting me this satisfaction. I have no objection whatsoever of going through to the end with you on the projects of San Diego County which you will continue to own individually. In fact, it will be a pleasure, but I do feel that as an act of fairness and courtesy my request should be granted, and I ask that you take this letter in the spirit in which it is written: one of sincerity and friendship.

Yours very truly,

EF/bm



RIVERSIDE PORTLAND CEMENT CO.

640 TITLE INSURANCE BLDG.

LOS ANGELES, CAL.

September 25, 1919.

Colonel Ed. Fletcher,
San Diego, California.

Dear Sir:

Since I have learned from you that the District matters will be delayed by the call of an election for bonds to complete the Barrett Dam, I want to urge upon you to explain to Messrs. Stearns, Jones, et al. that they must at least have the petitions circulated immediately (for this will undoubtedly take at least 60 days) in order that when the Barrett Dam question is out of the way there will be no further delay in the proceedings, because then, or at any time they see fit, the petitions can be filed with the Supervisors.

I am very urgent in this matter and will not feel that my interests are being properly represented unless this is done. Please take this matter up with them at once in hopes that they will immediately allay my uneasiness by having the petitions circulated without further delay. I feel very strongly in this matter.

Yours truly,

Thos. Henshaw

WGH/NEM

LAW OFFICES
HENSHAW, BLACK AND GOLDBERG,
MILLS BUILDING,
SAN FRANCISCO, CALIF.

Sept. 26th, 1919.

T. H. King, Esq.,
920- 8th Street,
San Diego, California.

Dear Mr. King:

Mr. Lees and I wish certain additional information some of which you will undoubtedly have in your office and some of which you can probably get from Mr. Fletcher.

1st: We find nothing in our records in reference to the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 18, Tp. 13 S, R 2 W. This is apparently one of the Stone entries, and is partly within the reservoir.

2nd: In Whom does title to the following lands vest?

Lots numbers one and two, Section ten; NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 9; SE $\frac{1}{4}$ of SE $\frac{1}{4}$, S $\frac{1}{2}$ of SW $\frac{1}{4}$, NW $\frac{1}{4}$ of SW $\frac{1}{4}$, of Section 4, all in Tp. 11 S, R 2 E, commonly known as the McRae property.

SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ and NE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 20, Tp. 10 S., R 3 W., commonly known as the George D. Stevens property.

NW $\frac{1}{4}$ of NE $\frac{1}{4}$ (except the south twelve acres thereof) of Section 8, T 11 S., R 4 W. That portion of NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Sec. 8, T 11 S, R 4 W, described as follows:

Beginning at the corner common to Sections 4, 5, 8 and 9, T 11 S, R 4 W.; thence West on Section 9 between Sections 5 and 8 20.3 chains to the NW corner of said NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Sec. 8; thence south along the West line of said NE $\frac{1}{4}$ of NE $\frac{1}{4}$ 13.39 chains to a point on the North Bank of San Luis Rey River; thence along the north bank of San Luis Rey River, north 87 $\frac{1}{2}$ ° East 7 chains to a point; thence north 45 $\frac{1}{2}$ ° East 18.65 chains to point of beginning. Also S $\frac{1}{2}$ of SE $\frac{1}{4}$ of Sections 5, T 11 S, R 4 W., commonly known as the Bland property.

SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Sec. 9, SW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Sec. 10, all in Tp. 15 S, R 2 W., commonly known as the Blochman property.

E $\frac{1}{2}$ of NW $\frac{1}{4}$, NE $\frac{1}{4}$ of SW $\frac{1}{4}$, and SW $\frac{1}{4}$ of NE $\frac{1}{4}$ Sec. 7, T 11 S, R 4 W, commonly known as Wakeham property, Certificate shows 7/8 interest in C. B. Gould and 1/8 interest in Kate Deasy.

NW $\frac{1}{4}$ of NW $\frac{1}{4}$, Sec. 21, Tp. 12 S, R 2 E., commonly known as Southerland Damsite.

Lot 72 of the Rancho Mission of San Diego, according to the partition map, commonly known as the Garretson property. As you know there are several excepted portions of Lot 72 which we do not deem necessary to set forth here.

3rd. Please give us an accurate description of the 2.5 acre and .5 acre pieces which constitute the so-called S. Carder Smith store 3 acres.

4th: Also please give us the acreage in the following Stone entries:
Lot in Sec. 8 and lots 1 and 2 in Sec. 17, all in TP 13 S, R 2 W.

5th: Were any rights of way for conduit or pipe lines granted to San Dieguito Mutual Water Company from Lake Hodges Reservoir to distributing dam, more especially through the Henshaw, Stone entires, Cassua and Irwin properties.

In this regard, we refer you to reference map 570, C-80 W. S. Post, a copy of which you gave us in San Diego.

With very kind regards from both Mr. Lees and myself, I am

Very truly yours,

(Signed) P. C. BLACK

PCB
W



RIVERSIDE PORTLAND CEMENT CO.

640 TITLE INSURANCE BLDG.
LOS ANGELES, CAL.

September 26, 1919.

Colonel Ed. Fletcher,
San Diego, California.

Dear Ed:

Your suggestion that the Company or I subscribe from \$1000 to \$2500 for the Marine Base, has received my careful consideration. So far as having the Cement Company pay the amount, I have concluded that I am not justified in authorizing any payment for the account of the Company. Any cement that the Company sells will only be sold because the Company is the lowest bidder. Your argument that the Cement Company should pay because your Highway Commission has declared that they favored a cement highway is not, in my opinion, applicable to the case. All the highway commissions in the state, county as well as state highways, have adjudicated in favor of cement, as has also the U.S. Government.

You state that the Warrenite people have subscribed \$500. I do not doubt that they would pay you many times that amount if you would favor their interests.

I, personally, do not feel justified in paying any such amount, and as a result it will be impossible for me to furnish any money for the purpose.

I cannot help but feel that if the matter is anywhere near as desirable for the city as you think, that the financial interests ought easily be able to handle such an amount.

Yours very truly,

WGH/NEM

San Diego, California.
Sept. 29, 1919

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

My dear Mr. Henshaw:

I telephoned Mr. Batchelder, and enclosed find letter which I received from him. When the Pacific Light and Power Company owned $3/4$ th interest and Vail $1/4$ th interest in the Kerners Ranch, ten or twelve years ago, I made a lease for Sanford whereby Sanford paid either \$25. or \$50., I don't remember which, for the rent of the store and 600 or 800 acres of land around the springs. In addition, Sanford was to pay half the receipts from the bath house and half from rent of the houses. There were about 200 or 300 acres of good farming land out of the 600 or 800 acres, which was fenced, below the Springs, but the land above was never fenced, being brushy, side-hill land of very little value.

Mr. Sanford stayed there on that basis for seven or eight years, and as you know, he was your tenant for two or three years on the same basis as the original contract with the Pacific Light & Power Co. Mr. Vail only reserved the house and barn, and never had anything to do with the farming of the land around the house.

When you bought out Mr. Vail, we moved Mr. Ream in and the trouble between Sanford and I commenced, for I gradually took more and more land away from Sanford as we needed it for farming and orchard purposes.

Later on, Batchelder took over the Springs on the same basis as Sanford, paying \$50. a month for the store and pasture lands and grain lands that Sanford had. In the meantime, you ordered Mr. Ream and I to survey and fence in 1000 acres of land, which was not included in the lease with Sawday which you reserved

Wm. G. Henshaw.

around the Springs. This 1000 acres took in something like 75 or 100 acres more, west of the Springs than Sanford or Batchelder ever had. We fenced it in, and Batchelder took that land which was fenced in place of lands which Ream had taken over from Batchelder, but has never used it for anything excepting pasture for his stock and saddle horses.

Batchelder and I were mighty glad to sell the equipment at the Springs and turn over the bathing privileges, etc. Batchelder stayed there and ran the store. The contract with Woodward & Kerr was identical with that made originally with Sanford, and later with Batchelder; Woodward & Kerr having the privilege of pasture for their stock, and paying \$25. a month while Batchelder paid the other \$25. a month, making the \$50. monthly rental you received.

Batchelder only drew out \$75. a month salary, and yet the store has not been a money maker. I was glad to have Batchelder sell out the store to Woodward & Kerr, and now they are paying \$50. a month rent for the store and pasture that Batchelder had, excepting that I have taken away from them about 100 acres of land below that which we are now farming and which I want Ream to clear up and put into grain, as it will add so much to the appearance of the entire ranch and will be land on which Eagles Nest water can be put. This can be put into alfalfa or orchard, just as you desire.

In selling out to Woodward & Kerr, we took actual cost for the stock, and took quite a loss on our fixtures, accepting part cash and the balance in deferred payments to the 1st of January, 1921, with interest at 7%.

I also reserved at your option, for your use and benefit, the Government cottage and Government swimming pool. Batchelder and I have agreed in writing that if you cancel the present arrangement and order Woodward & Kerr off the property before February 1st, 1921, then, in that case, any loss they may sustain shall be adjusted by arbi-

Wm. G. Henshaw

tration in the usual manner and paid by Batchelder and myself. I wanted to get out of the store business in the worst way, and so did Batchelder. It has not been a paying proposition for us: I have not yet got back the money I put into the proposition, but eventually from the sale of the stock of the store and live stock assets, we will probably get out with a small profit.

Yours very truly,

EE/bm

encl

FEDERAL TELEGRAPH COMPANY

TELEGRAM

R. P. SCHWERIN, PRES.

RECEIVER'S NO.	TIME FILED	CHECK	INDICATE BY	X	RATE DESIRED
Send the following message, subject to the terms and conditions printed on the back hereof, which are hereby agreed to.					
San Diego, Calif. Oct. 2, 1919					
Wm. G. Henshaw, 762 Mills Bldg., San Francisco.					
Jones wants to make thousand dollar payment today. Shall he make payment to me. If to you Jones says you were to authorize me as your agent.					
Ed Fletcher					
Chg Ed Fletcher Co.					

San Diego, California.
Sept. 29, 1919

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

My dear Mr. Henshaw:

Answering yours of the 26th, in relation to a subscription to the Marine Base, will say I certainly do not want you to take this as a personal matter between you and me. The facts are these:

The money has to be raised between now and the 1st of October by someone or we lose. You are the 3rd or 4th largest property owner in the County. The Warrenite people are making headway in San Diego. You have been criticized by many of the business men for not making a subscription. At most it is only a loan. The election has been called and no doubt the bond issue will carry to refund the money. There is no one in the County who will be more greatly benefitted than you by the proposed paved highway system. I looked upon it this way: that as a matter of policy it would have been a graceful thing for the Riverside Portland Cement Co. to subscribe \$1000 or \$1500. I could put it as almost a personal subscription from yourself, so that it would eliminate any hard feelings among the business men. It would have offset the Warrenite influence in good shape and really mean very little from the Cement Company's standpoint, because it is unquestionably a loan. In addition, I should have considered it a compliment to myself, as well.

However, it is wholly a matter of policy. If you cannot see my way it is your privilege to turn it down and I regret that I have annoyed you by bringing the matter up.

Yours very truly,

EF/bm

CLASS OF SERVICE	SYMBOL
Day Message	Blue
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION

TELEGRAM

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

CLASS OF SERVICE	SYMBOL
Day Message	Blue
Day Letter	Blue
Night Message	Nite
Night Letter	N L

If none of these three symbols appears after the check (number of words) this is a day message. Otherwise its character is indicated by the symbol appearing after the check.

RECEIVED AT 936 5TH ST., SAN DIEGO, CALIF.

A367GS 31

SAN FRANCISCO CALIF 217P 2

ED FLETCHER

366
920 8 ST SANDIEGO CALIF

ACCEPT PAYMENT OF ANY AMOUNTS JONES CARES TO MAKE AND TURN THE SAME
OVER TO STEARNS ET ALS TAKING PROPER RECEIPT FROM THEM AND
FORWARD SAME TO THIS OFFICE AS RECEIVED

WM G HENSHAW.

1919 OCT 2 PM 2 34

William G. Henshaw
Mills Building
San Francisco

October 2, 1919

Mr. Ed. Fletcher
920--8th Street,
San Diego, Cal.

Dear Ed:

Upon my return I found your letter dated September 20th, in which you discussed the commission which you are to receive for the sale of the Water System etc--it is too involved to go into discussions by mail. I will only say that your view as to the Carroll Reservoir etc, turned over to the San Dieguito Mutual Water Company is either wrong or wrongly expressed. It may be you do not mean exactly what you say but as expressed it would be palpably unfair to me.

I am not at all sure that I will transfer the proposed properties to my children as planned on account of legal matters, which there is no use in my trying to explain until we meet. This legal problem I may not be able to decide for some weeks or even months. In case I do carry out my original plan, my lawyers tell me that they will not permit the children, or a corporation if formed by them, to enter into any such agreement as you suggest, as it would invalidate the whole transaction that I am desirous of accomplishing.

You refer to the peace of mind of yourself and Mrs. Fletcher, but you seem to pay little attention to my peace of mind. Neither of you should lose sight of the fact that in our relationship, you to-day are the only one whom has made money--and the amounts have been pretty large.

Yours very truly,

W. G. Henshaw

WGH:ME

William G. Henshaw
Mills Building
San Francisco

October 2, 1919

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

Dear Ed:

Answering yours of the 27th in relation to Sawday; I think that twenty-five dollars an acre is a low price for the thirty-two thousand acres referred to. There are two other people now considering it; one has already made an examination and to both of them the price has been quoted as forty dollars an acre.

Your information as to what you think Sawday will do does not cover what rent he is willing to pay for the seven thousand acres referred to; also when you say "\$22.50 per acre on time," you give no intimation of what amount he will pay in cash. I could give him liberal time on \$300,000. or \$325,000. which is the amount of the present mortgage on the property.

You are similarly indefinite in the Bernardo Property, in which you refer to twenty-seven dollars per acre "on time." You must remember that the Bernardo stands me in, including interest, above thirty dollars an acre. However, I expect to be in Los Angeles the middle of next week and will then take up with you any propositions you may have.

Yours very truly,

W. G. Henshaw

WGH:ME

copy

San Diego, California.
October 3rd, 1919

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

Attention Mr. Lees:

Dear Sir:-

Answering yours of October 1st. I enclose herewith a map showing in red a portion of the Syndicate option agreement properties.

Mr. Henshaw has no interest in the Gundrum 160 acres. I had a verbal arrangement with Mr. Henshaw whereby this property was eliminated from the San Dieguito Option agreements. Payments were made on the Gundrum property as follows:

Dec. 13, 1917	Option money	\$ 200.00
	Commission, Sen. Luce	100.00
April 6, 1918	To F. F. Gundrum	800.00
" 29, "	Taxes	16.50
May 14, "	Labor	9.95
	Making a total of	<u>\$1126.45</u>

On December 18, 1918 the San Dieguito option agreement was credited with \$1126.45. The next statement of the San Dieguito option account will show these debits and credits.

The properties shown on the map herewith, include the following:

Hyer	160 acres
Preston	40
Loring	5
Nute	15
Harrison	70
Mauer	37
Trask	20
	<u>347</u>

- 2 -

In addition to the above, the San Dieguito option account has \$200 up on the Gifford option which ties up approximately 15 acres until the Cardiff District bonds are voted. This land is two or three miles north of Encinitas, near the coast. The San Dieguito Account includes 40 acres which we may have to take from Cullen at \$25. an acre, in case Cullen's note is not paid. This land is located near Cardiff. The San Dieguito option account also includes approximately 120 acres of Gipps property, the purchase price being \$1000. This property is located near Lake Hodges Dam. It also includes the Marcks property on which \$1000. has been paid.

We might as well include the stone interests, where we are getting Government lands, and which Mr. Henshaw and I have taken over jointly through other parties; particularly lands around the Sutherland damsite, a part of which are within the reservoir lands and a part outside. Mr. Henshaw may pay whatever he thinks is right for the lands within the reservoir site; the lands within the reservoir site to be owned jointly.

Attached hereto is legal description of the Marcks property, the Cullen property, the Gipps and Gifford properties. We have also put into this San Dieguito Option account the Bland property of approximately 126 acres.

On the last pages of the certificates covering the Pico and Moron properties you will find maps. This is acreage land lying east of South Oceanside.

I cannot, at the present time give you legal description and complete records of the costs of the stone entries, for the reason that we have received no title as yet from the Government through the different interests who filed on the land for us, but this will come forward in due time.

Yours very truly,

EF/bm
encl

October 4, 1919.

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

My dear Mr. Henshaw,

Mr. Longwell, the U. S. Engineer for the Reclamation Service is here today and is going to spend a week in the field on engineering problems. While this is unofficial I am of the opinion that his estimate of the net safe yield will be within five percent of the estimate of the different engineers. I do not dare to press him too strong, for he certainly is a man of strong opinions.

On the evaporation loss at Warners our records are 47 inches, he has adopted 48 inches both for Warners and Sutherland. This is better than Huber who used 54 inches. We are fortunate in this as Cuyamaca is 62 and Morena 68. He has, however, used 60 inches for Pamo, but I am trying to get him to modify his figures as our records at Lake Hodges prove it to be 48 inches, actual surface evaporation from the Lake. We are going into this matter the first of the week.

I have sized it up that his final determination will be about five percent less than the estimate of the Board of Engineers for the gravity supply. None of the engineers who have ever made reports on our systems have ever taken into consideration the pumping possibilities to tide over the dry years, so I am making an extra effort with Longwell in this regard. You see where we are so heavily penalized is during a series of dry years. I am making a special effort to convince Longwell that no system in Southern California should depend wholly upon gravity water, - that the natural thing is to fall back on pumping waters and I refer particularly to the City of San Diego being re-enforced by its pumping plant in the San Diego River. We are today pumping 3,000,000 gallons of water daily at the El Monte pumping plant at Lakeside to re-enforce the Cuyamaca supply.

Of all the engineers only Huber has taken into consideration, and allowed for pumping, in his reports, both for the Cardiff District and the San Luis Rey District.

Longwell leaves Saturday for Warners Springs

San Diego, California.
October 6th, 1919

Mr. Wm. G. Henshaw,
C/o Title Insurance Bldg.,
Los Angeles, California.

My dear Mr. Henshaw:

I am Expecting Mr. Murray here any day, and it has reached a point where I must pay him some interest, as I have not paid him any for nearly a year.

Enclosed find 90-day note as per your suggestion, made payable to me, and I will either get it cashed in the bank here, or give to Mr. Murray on account of interest. Of course this amount will be credited to your Cuyamaca Co. indebtedness which is over due.

Yours very truly,

MF/bm
encl

and arrangements have been made for him to thoroly investigate the pumping possibilities from the Warners reservoir lands. I certainly regret that we never put in one or two wells and struck artesian water which I believe to be on Warners Ranch. Longwell admitted that he believes the artesian water is there but he has no right to take it into consideration, altho it would be invaluable to your proposition if this development were already made. I have called Longwell's attention to the pumping possibilities of the San Luis Rey, also the pumping possibilities from the Bernardo, whichever way the Government makes its development, and I have every reason to believe that he will add to his report the pumping possibilities which, in my opinion, will safely offset any depreciation he may make in net safe yield from the Volcan System. He will have his report completed by the 1st of December and it will be of untold value to us in the municipal water district plan.

The only danger now is his estimate of costs of construction, which, if they get too high, might be a factor against us. I have urged him in making his estimates of cost of construction to figure both ways, ie: a cement conduit out of Pamo, also redwood pipe siphon. There is no question but the redwood pipe siphons will be from 25 to 50% less in cost down the canal for 12 or 15 miles than concrete construction on grade. I have asked Mr. Longwell to let us go over his estimates of costs before he makes his final report, but he has not yet agreed to this.

I think it very important that we should have a man like Hawgood go over these estimates of cost with Longwell, if it can be arranged, before Longwell makes his report.

Yours very truly,

EF:KLM

Dictated by
EF on Oct. 2d.



RIVERSIDE PORTLAND CEMENT CO.

640 TITLE INSURANCE BLDG.

LOS ANGELES, CAL.

October 10, 1919.

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

My dear Ed:

Answering yours of the 7th: I am not particularly interested in the leasing of the lands that you and I are interested in, for I am afraid that such a lease would interfere with the sale of the properties.

However, as I have told you that if you consider it desirable to make such a lease, I will sign the same. I have not read the proposed leases drawn by Mr. Black and which were forwarded by you. I return the same herewith still unread and put the matter entirely in your hands. If you find the leases are in satisfactory form, and if you desire to give the leases, have the descriptions put in and you and Mrs. Fletcher sign the same, forward to me, and I will immediately execute and return.

Yours truly,

WGH:Y

Enclosure.

San Diego, Calif.
Oct. 9th, 1919

Mr. W. H. Metcalf,
C/o W. G. Henshaw,
Mills Bldg.,
San Francisco.

Dear Sir:-

Replying to your favor of Oct. 6th, regarding segregation of the Volcan Land & Water Co. statements, would say we are enclosing the receipted vouchers for the Volcan, Pemo, Warners, Bixler, and Henshaw accounts, also for the Volcan Land & Water Co. pay roll accounts, which segregations we trust will meet your approval.

Yours very truly,

MEF/bm

San Diego, California.
October 13th, 1919

Mr. Wm. G. Henshaw,
C/o Riverside Portland Cement Co.
Title Insurance Bldg.,
Los Angeles, California.

My dear Mr. Henshaw:

Enclosed find clipping which is explanatory. Putting two and two together, I think this was inspired by Mr. Stearns. He certainly has influence with Mr. Cosgrove.

Stearns insisted that the valuation be made by the State Railroad Commission instead of the State Engineer, and this I have absolutely refused to allow added to the contract. When he signed the contract he wrote a separate letter saying if the State Railroad Commission makes a valuation, it is understood that valuation goes. I wrote a letter refusing to assume any moral or legal obligation to that effect and he has threatened to hold up the whole proceedings. I told him to go ahead, but on Saturday he said they had decided to start the agitation for a Municipal Water District and they will take a chance on Mr. Murray coming through.

Enclosed find editorial from the Herald regarding Mr. Cosgrove which will be of interest.

Yours very truly,

MF/bm
encl 2

San Diego, California.
October 14th, 1919

Mr. Wm. G. Henshaw,
C/o Riverside Portland Cement Co.
Title Insurance Bldg.,
Los Angeles, California.

My dear Mr. Henshaw:

Answering yours of October 2nd, will say there can be no question of a definite understanding between us in regard to the Carroll or San Dieguito Mutual Water Company contract.

Under date of March 10th, 1919, I wrote you as follows:

"Wm. G. Henshaw,
Mills Bldg.,
San Francisco.

My dear Mr. Henshaw:

Some time ago, in conversation with Mr. Lees and myself, you asked for my understanding of the partnership agreement covering the profits on the sale of the San Dieguito Mutual Water Company's system.

My understanding is that for my having promoted the enterprise and for my services in carrying it through, I am to have one-half of the profits derived from the sale of the system after you have received \$350,000. plus 6% interest from the date of signing the contract with the Santa Fe Land Improvement Co. This \$350,000. covers the cost of the properties delivered to the San Dieguito Mutual Water Co. as per your contract with the Santa Fe Land Improvement Co..

It is my recollection that I voluntarily told you that when the San Dieguito Mutual Water Co. system is sold and final settlement is to be made, there will be included in our joint account any commission

I receive from either the San Dieguito Mutual Water Company or Wm. G. Kerckhoff for the sale to the Cardiff Irrigation District. If bonds of the District are taken in lieu of cash, then I feel it would be only fair to ask you to take bonds at the market price in lieu of your \$350,000. and interest; any additional bonds from the sale of the property to be thereafter equally divided between us, as well as any bonds that I receive from either the San Dieguito Mutual Water Co. or Wm. G. Kerckhoff or the South Coast Land Company.

If for any reason the Cardiff Irrigation District should not buy the system, then, in that case I am to have one-half the profits that you receive on the contract with the Santa Fe Land Improvement Company after you have received your \$350,000 and 6% interest.

If this is not your interpretation of the agreement, please let me hear from you soon so that any details as to a misunderstanding can be corrected.

Yours very truly,
Ed. Fletcher."

On March 17th, 1919, from San Francisco, California, you wrote to me as follows:

"Your letter of March 10th in relation to our understanding in the matter of the sale of the San Dieguito Mutual Water Company is quite as I understand it. This would make the San Dieguito project stand on its own footing.

Yours very truly,

(Signed) Wm. G. Henshaw."

There can be no misunderstanding as to this agreement, and it is certainly fair, as well. I make not a dollar on this proposition until you get your money back with interest. You, yourself, have written me that

The San Dieguito Mutual Water Company is a creation I have dreamed of and put through under the greatest difficulties. You turned down the Carroll Dam site and refused to buy it, on Mr. Hawgood's advice, but I stayed with it anyhow, and instead of its being the last dam built, it is the first.

You will be getting many benefits when the whole system is completed, including the fulfillment of your obligation to put water on the Whitney lands, and the profits which both you and I make on the lands that have been picked up.

In return, I am giving you one-half the profits that I make on the sale of the South Coast Land Company's system, as well as one-half the profits that I make on the sale of the San Dieguito under my contract with them. Heaven knows I am having my troubles now with the Cardiff Irrigation District.

I only asked for what I feel I am entitled to, and that is a contract protecting my interests and the interests of the corporation in case you decided this property to your children. The very fact that you should write this letter of October 2nd, claiming the agreement between us is palpably unfair to you, in relation to the Carroll or San Dieguito Mutual Water Company agreement between us, shows how necessary it is that we should have a definite contract, properly drawn up, protecting each others interests.

I am no salaried man. My expenses are \$15,000 or \$20,000 a year, and if I had not from the beginning thought that I would clean up at least \$50,000 or \$75,000 a year by tying up with you, I would never have gone into it. I never was as sure of anything in my life as I am today that you will,

-4- Wm. G. Henshaw

within the next two or three years, make at least your money back on your entire investment in San Diego County, with 6% interest, and easily one to two million dollars profit, and if I don't make a half million or more I shall be the most disappointed man on earth.

I have certainly tried to do my part in many ways to help you out financially down here, and feel that I shall have earned every dollar that I get. On the other hand, I am grateful to you for giving me the opportunity. But I want, in order to get the best results for you, and for my own peace of mind, to have a clear understanding so that no future misunderstandings of this kind can arise.

Yours very truly,

WF/bm

Handwritten:
Marshall & Broadway
Miss P. O. in
2-12 P. O. in
Oct 14/1919



RIVERSIDE PORTLAND CEMENT CO.

640 TITLE INSURANCE BLDG.

LOS ANGELES, CAL.

October 14, 1919.

Colonel Ed. Fletcher,
San Diego, California.

Dear Ed:

I was much interested in your different communications of today.

The map of the proposed district seems to me to be alright, but I would like to know approximately how many acres you estimate are included in the district. Mayor Wilde's letter certainly is a very conservative presentation of the necessity of water for San Diego.

I am so disgusted with the laggardness of the citizens of the city of San Diego in providing themselves with water, without which their future growth is absolutely limited, that I would quite welcome selling the water to either the Perris Valley people or to the District in the northern part of the county.

I had not heard before of Stearns' desire to have the Railroad Commission value the Volcan properties. This I would never consent to, as from my past experience with the Railroad Commission I have no confidence in their giving a fair value to the properties.

I am returning to you the letter from O'Maveny, Millikin & Tuller, dated September 15th, as per your request.

Yours truly,

WGH/NEM

Dictated but not read

Handwritten signature: Wm. G. Henshaw

October 15, 1919.

San Diego, California.
October 15th, 1919

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

My dear Mr. Henshaw:

Enclosed herewith is copy of letter I have written Mr. Black showing the ownerships of record of the properties.

There are several properties that are standing in my name, and if you want same deeded to you, let me know and I will execute deed. Take, however, such properties as the Garretson, Blam, Anderson and Hindle, and one or two others: new mortgages will have to be issued shortly, and I know you have been averse to asking your wife's signature to mortgages. Matters can easily be expedited through Miss Deasy or any of my employes in case of emergency.

If Warners Dam were built today and there was no danger of an injunction, I would almost be tempted to recommend to let that property go, and charge the \$15,000 which we paid to riparian rights.

By the way, the next time we get together, I want to talk to you about the old Bernardo Account. You have a credit of several thousand on that, but I have advanced on our San Dieguito Option Account and the Syndicate Account much more than enough to offset it.

Yours very truly,

EE/bm
encl

Mr. P. C. Black,
Mills Building,
San Francisco, Calif.

My dear Mr. Black:

Answering your letter of September 26th to Mr. King, I submit the following:-

No. 1: The SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Sec. 18, T. 13 S., R. 2 W: This 40 acres was taken out in the name of W. S. Post by means of scrip. He deeded this land to Ed Fletcher, the deed being recorded Jan. 8, 1919. No U. S. patent has been issued. That portion of the land needed by the San Dieguito Mutual Water Company for reservoir purposes or rights-of-way has already been deeded to the San Dieguito Mutual Water Company.

No. 2: Lots 1 and 2, Section 10: The NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Sec. 9; the S $\frac{1}{2}$ of SE $\frac{1}{4}$, the S $\frac{1}{2}$ of the SW $\frac{1}{4}$, the NW $\frac{1}{4}$ of SW $\frac{1}{4}$ of Sec. 4, all in T 11 S, R 2 E, commonly known as the McRae property, stands of record in the name of Ed Fletcher.

No. 3: The SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ and the NE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 20, T 10 S, R 3 W, commonly known as the George D. Stevens property, stands of record in the name of C. B. Gould. This property is now in the name of Wm. G. Henshaw by general deed from C. B. Gould.

No. 4: The NW $\frac{1}{4}$ of the NE $\frac{1}{4}$ (except the South 12 acres thereof) of Sec. 8, T 11 S, R 4 W: That portion of NE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Sec. 8, T 11 S, R 4 W, giving a moets and bounds description, also including the S $\frac{1}{2}$ of the SE $\frac{1}{4}$ of Sec. 5, T 11 S, R 4 W, commonly known as the Bland property, is in the name of Ed Fletcher, subject to a mortgage of \$3000. This is in the form of a trust deed.

No. 5: The SE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 9, the SW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Sec. 10, all in T 15 S, R 2 W, commonly known as the Blockman property stands of record in the name of Wm. G. Henshaw.

No. 6: The E $\frac{1}{2}$ of the NW $\frac{1}{4}$, the NE $\frac{1}{4}$ of SW $\frac{1}{4}$, the SW $\frac{1}{4}$ of NE $\frac{1}{4}$, Sec. 7, T 11 S, R 4 W, commonly known as the Wakeham property, is in the name of C. B. Gould, and transferred to Wm. G. Henshaw by deed.

No. 7: The NW $\frac{1}{4}$ of the NW $\frac{1}{4}$, Sec. 21, T 12 S, R 2 E, commonly known as the Southerland Dam site: This title shows of record as being vested in the United States Government. There is, however, a stone entry covering the same in the name of Ed Fletcher.

No. 8: A portion of Lot 72, Rancho Ex Mission of San Diego, commonly known as the Garretson property, now shows of record in the name of K. Deasy. I have a deed from K. Deasy for an undivided one-half interest in my safe, executed June 2, 1914, but has not been recorded for the reason that there is a mortgage of \$31,000 on the property. Mr. Henshaw has an equity of $\frac{1}{4}$ interest in this Garretson property, subject to one-half of this mortgage, \$15,500.

No. 9: The complete description of the S. Carder Smith three acres is as follows:

"All those pieces and parcels of land situate lying and being in the Rancho San Bernardo, as per the patent issued by the United States of America to Mario Smook, November 17, 1874, of record in Book 2, page 462 of Patents, Records of San Diego County, State of California, being that portion of land now standing of record in the name of Antoinette B. Smith, in said Rancho San Bernardo, as per Deeds Book 437, pages 93 and 94, and more particularly described as follows:

"Beginning at a point on the west side of a road from which the chimney in the Sikes House bears north $27\frac{1}{2}^{\circ}$ west, and the summit of a Sugar Loaf Hill on the south side of the Bernardo River bears south $15^{\circ} 20'$ West. Running thence courses true magnetic variation 13° East, (1) S. 14° West 6 $\frac{32}{100}$ chains to stake about ten feet from the north bank of San Bernardo River; (2) North 76° West, 3 $\frac{16}{100}$ chains to a stake; (3) North 14° East 6 $\frac{32}{100}$ chains; (4) South 76° East 3 $\frac{16}{100}$ chains to place of beginning.

"Also the real property adjoining the above described land bounded and described as follows:

"Beginning at the same point which is the Northeast corner of the above described land, and thence courses true magnetic variation 13° East, (1) North 14° East 1.117/200 chains; (2) North 76° West 3 $\frac{16}{100}$ chains; (3) South 14° West 1.117/200 chains; (4) South 76° East 3 $\frac{16}{100}$ chains to point of beginning.

"Also the real property adjoining the above described land bounded and described as follows:

"The North half ($\frac{1}{2}$) of the one acre tract adjoining on the north the two (2) acre tract described in a deed from Zenus Sikes to P. A. Graham, dated Jan. 16, 1875. The said one acre tract being more particularly described as follows, to-wit:

"Beginning at the same point, as the beginning mentioned in deed from Zenus Sikes to P. A. Graham, dated January 16, 1875, to-wit: the Northeast corner of said two acre tract as described in said deed, and running thence courses true magnetic variation 13° East (1) North 14° East 3 $\frac{17}{100}$ chains; (2) North 76° West 3 $\frac{16}{100}$ chains; (3) South 14° West 3 $\frac{17}{100}$ chains to Northwest corner or two acre lot; South 76° East 3 $\frac{16}{100}$ chains to the place of beginning, containing in all 3 acres, more or less."

The floodage rights of the S. Carder Smith transfer to the San Dieguito Mutual Water Company are as follows:

Being that portion of land described in the deeds of Ellen A. Schollenberg to Antoinette B. Smith in said Rancho San Bernardo recorded in Book of Deeds 437, pages 93 and 94;

Beginning at the NW corner of the property described in the above mentioned deed;

Thence along the West line of said property S $14^{\circ} 23'$ W, 624 feet (record S 14° W 9.48 chains) to the SW corner of said property.

Thence along the South line S $76^{\circ} 22'$ E 211.0 feet (record S 76° E 3.16 chains) to the SE corner of said property, whence a cement monument on the West line of County Highway bears S $14^{\circ} 10'$ W 0.6 feet.

Thence along the East line of said property N $14^{\circ} 10'$ E (record N 14° E) 430 feet.

Thence N $33^{\circ} 43'$ W 103.6 feet.

Thence N $50^{\circ} 10'$ W 82.1 feet.

Thence N $15^{\circ} 55'$ W 105.1 feet, to a point on the North line of said property.

Thence N $76^{\circ} 22'$ W (record N 76° W) 6.0 feet to the point of beginning, containing $2\frac{1}{2}$ acres.

The above is a description of the land lying below the 315 contour. The best way to describe the balance of the land above the 315 contour, I believe, would be to describe the whole tract of land and say, "Excepting therefrom the above description".

I am holding the map and a copy of this letter for your future reference in San Diego. Shall I send the map up to you, or hold it here until you come to San Diego again?

Yours very truly,

E. Fletcher

EF:K

October 15, 1919.

Mr. Wm. G. Henshaw,
Riverside Portland Cement Co.,
Los Angeles, Calif.

My dear Mr. Henshaw,

When Governor Stephens was here last Thursday to speak at a mass meeting in the Exposition Grounds at the first meeting of the Elk's State Convention, he was here as my guest, and both the Governor and the Mayor were to speak at the meeting, so I invited the Mayor to ride up with me to the Exposition Grounds, with the Governor. He became very friendly and evidenced a great deal of interest in the water question, and asked me to write him a lot of dope on the subject, as he did not have time to investigate it himself. Enclosed is a copy of the letter which I have written him, and which may be of interest.

Stearns and his crowd have asked me to get the Sun to come out in an editorial favoring a water district, and while it is unfortunate that Porterfield is in the East, yet I have seen the city editor and hope to get the Sun to come out with a good strong editorial within a day or two. If so, I will send you a copy. The Sun hates like everything to endorse anything that the Mayor endorses for there is a big row on between them. This is easily evidenced by the enclosed clipping in this morning's paper, showing what the Mayor thinks of the Sun. This has made it difficult for me to accomplish anything.

Yours truly,

EF:KLM

October 16, 1919.

Mr. Wm. G. Henshaw,
Riverside Portland Cement Co.,
Los Angeles, Calif.

My dear Mr. Henshaw,

Mr. Stearns promised last Tuesday to get the legal description of the whole district down at the court house so that I could hurry up matters by getting the legal description of the proposed new district, cutting out Camp Kearny, but he failed to do this, and went off Tuesday and will not return until Friday. Sen. Sample went to Imperial Valley, and I could not locate Forward anywhere, and so had to do the work myself.

We will have a complete legal description of the proposed new district to put in Mr. Stearns' hands tomorrow, and then it is up to him to prepare the petitions. It has been hard work for me to get the Sun to come out and boost Mayor Wilde in any way, and I do not believe they will do it, but they have promised me for tomorrow or next day a strong editorial in favor of a water district. There is no question about it, I have got to keep after them all the time, or we will get no where.

You may be pleased to know, however, that the biological experts at La Jolla, who have made correct predictions the last two or three years in advance as to rainfall, have announced that the rainfall for this coming winter will be less than normal.

Enclosed find clipping of the proposed San Luis Rey Irrigation District, which I had the pleasure of dictating, and which I know will please you. Mr. Richardson is a member of the State Harbor Commission, on my recommendation, and a man who realizes the absolute necessity of getting busy if Oceanside section wants that water.

Yours very truly,

EF:KLM

October 17th, 1919

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

My dear Mr. Henshaw:

Enclosed find copy of letter I have written to Mr. Black. I can save months of Mr. Black's time and much expense as well, by doing this myself. I am fortunate in having all the early records, since 1905. I will do this work as fast as my time will permit, and am sure I can put it into shape that will facilitate the clearing up the very important work necessary before the transfer of the property is made.

Please let me know whether you want all the riparian rights of diversion in your name, or do you care to have them in the name of the Southern Title Guaranty Co. It would mean an added expense to transfer them to yourself, as unquestionably, when the sale is made, everything will be put in escrow with the Title Company. The Title Company will then be in position to issue certificate of ownership without your paying the cost of two transfers. I would suggest that the riparian rights be deeded to the Southern Title Guaranty Co. in trust and subject to your order.

Kindly let me know what your final decision is, and I will get busy.

Yours very truly,

EF/bm
encl

October 17, 1919.

Mr. Wm. G. Henshaw,
Riverside Portland Cement Co.,
Los Angeles, Calif.

My dear Mr. Henshaw,

Enclosed find clipping from this mornings
paper, giving an account of the meeting at Vista.
They have gone after the formation of the San
Luis Rey Irrigation District in good shape.

Mr. Richardson, the attorney for the
city of Vista is my personal friend, and is actively
pushing the matter. I just recommended to the Governor
and he appointed Richardson a member of the State
Harbor Commission here, and I will be in close
touch thru Richardson on what is going on.

Am satisfied that within the next 30 days,
25,000 to 30,000 acres will be signed up to form
the San Luis Rey Irrigation District. The state
engineer states that there will be water enough
from Warners to irrigate 43,000 acres. It will be
hard to get 43,000 acres, but at least it will spur
the spur the city of San Diego on in its formation
of its municipal water district.

Yours very truly,

EF:KLM

*Get paper
that
date*

San Diego, Calif.
October 20, 1919

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

My dear Mr. Henshaw:

Enclosed find criticism of the City Attorney
Cosgrove, which will be of interest. They seem
to be getting his number.

Yours very truly,

EF/bm
encl

Miss K.D. has T.H. King's letter with descriptions
in property book.

Miss Fletcher

October 23rd, 1919

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

My dear Mr. Henshaw:

At the request of Mr. Black I give a list of the stone entries which were secured for our joint account, according to the verbal arrangement made between us. The understanding being that I was to get the different parties to locate on the property in their own names, you to pay only the initial cost to the Government: the lands outside the reservoir site to be owned jointly by yourself and me:

1. Above Lake Hodges Dam there is a stone entry in the name of Mary B. Fletcher on Lot 5, fractional Sec. 8, Lots 1 and 2, and the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of fractional Sec. 17, all in T. 13 S. R. 2 W. S.B.M., total 109.86 acres: This application has been approved and the money paid June 24th, 1919. The final certificate has not yet been issued. Total cost to Wm. G. Henshaw, \$285.15.

2. In the name of Ed Fletcher: the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Sec. 21, T. 12 S. R. 2 E. S.B.M., 40 acres. Final certificate has been issued. Total cost to Wm. G. Henshaw, \$100.

3. In the name of Mary B. King, the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Sec. 22, T. 12 S. R. 2 E. S.B.M., 40 acres. Application approved, money paid March 19, 1919; final certificate not yet issued.

4. In the name of K. Deasy, the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Sec. 21, T. 12 S. R. 2 E. S.B.M. 40 acres. This application has been approved and the money paid March 19, 1919; final certificate has not yet been issued.

5. In the name of Thomas H. King, the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$, the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$, the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Sec. 28; the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Sec. 27, all in T. 12 S. R. 2 E. S.B.M., total, 160 acres. This application has been approved and the money paid March 19, 1919; final certificate has not yet been issued.

Total paid for the three stone entries listed above, \$600.

-2- WmGH

The following is a list of the script lands:

B. The NW $\frac{1}{4}$ of the SE $\frac{1}{4}$, Sec. 13, T. 13 S. R. 3 W. S.B.M., 40 acres. This land is just below the Lake Hodges Dam, was scripted by P. R. Johnson and now stands in the name of Wm. G. Henshaw.

C. The SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Sec. 18, T. 13 S. R. 2 W. S.B.M., 40 acres. This land was scripted by P. R. Johnson, and now stands in the name of Wm. G. Henshaw except that portion which lies below the 315 countour and which has been deeded to the San Dieguito Mutual Water Co.

D. The SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Sec. 18, T. 13 S. R. 2 W. S.B.M., 40 acres. Scripted by W. S. Post. This is unsurveyed land and there can be no patent issued for it. Mr. Post signed a grant deed conveying this property to Ed Fletcher. This deed, however, has not been recorded, as it would be valueless until such time as patent is issued on the land to W. S. Post.

Total paid on script land \$2,000.

E. The SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Sec. 18, T. 13 S. R. 2 W. S.B.M., 40 acres: Scripted by E. O. Faulkner. This being also unsurveyed land, there can be no transfer made until patent is issued.

Total paid \$600, one half by W. G. Henshaw one half by San Dieguito Mutual Water Co., but San Dieguito Mutual Water Co. bought back the half paid for by Mr. Henshaw.

A. The only entry taken up in the name of Wm. G. Henshaw in connection with the Hodges reservoir, is as follows:

The N $\frac{1}{2}$ of the SW $\frac{1}{4}$ and the W $\frac{1}{2}$ of the SE $\frac{1}{4}$, Sec. 13, T. 13 S. R. 3 W. S.B.M., total 160 acres: This land now stands in the name of Wm. G. Henshaw, and we have been paying taxes on it since 1918. Cost \$400.

There was no understanding between Mr. Henshaw and myself in relation to this.

Yours very truly,

ET/bm
cc MEF
WL

Miss K.D. has T.H. King's letter with descriptions in property book.

October 23rd, 1919

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

My dear Mr. Henshaw:

At the request of Mr. Black I give a list of the stone entries which were secured for our joint account, according to the verbal arrangement made between us. The understanding being that I was to get the different parties to locate on the property in their own names, you to pay only the initial cost to the Government: the lands outside the reservoir site to be owned jointly by yourself and me:

1. Above Lake Hodges Dam there is a stone entry in the name of Mary E. Fletcher on Lot 5, fractional Sec. 8, Lots 1 and 2, and the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of fractional Sec. 17, all in T. 13 S.R. 2 W. S.B.M., total 109.86 acres: This application has been approved and the money paid June 24th, 1919. The final certificate has not yet been issued. Total cost to Wm. G. Henshaw, \$285.15.

2. In the name of Ed Fletcher: the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Sec. 21, T. 12 S. R. 2 E. S.B.M., 40 acres. Final certificate has been issued. Total cost to Wm. G. Henshaw, \$100.

3. In the name of Mary B. King, the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Sec. 22, T. 12 S. R. 2 E. S.B.M., 40 acres. Application approved, money paid March 19, 1919; final certificate not yet issued.

4. In the name of K. Deasy, the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ Sec. 21, T. 12, S. R2 E, S.B.M. 40 acres. This application has been approved and the money paid March 19, 1919; final certificate has not yet been issued.

5. In the name of Thomas H. King, the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$, the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$, the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Sec. 28; the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Sec. 27, all in T. 12 S, R 2 E. S.B.M., total, 160 acres. This application has been approved and the money paid March 19, 1919; final certificate has not yet been issued.

Total paid for the three stone entries listed above, \$600.

October 23, 1919.

Mr. Wm. G. Henshaw,
762 Mills Building,
San Francisco.

My dear Mr. Henshaw,

Enclosed find copies of letters from Mr. Hodges which are explanatory.

I am leaving with the California Highway Commission Friday morning and will return the middle or last of next week. My cold has settled in my bronchial tubes and the doctor says it is absolutely necessary for me to get a change of climate for a few days, and it fits in very nicely with my engagement with the Highway Commission.

Arrangements are made to meet the Highway Commissions of five counties in Arizona, also the state engineer, and we will be the guests of Gov. Campbell in Phoenix. Anything I can do for the Cement Company, let me know.

My address will be Tucson Sunday night, care of Monte Mansfeld; Phoenix Monday, and Tuesday - General Delivery.

Stearns has pledged me he will have the petitions out next week.

Yours very truly,

EF:KIM

The following is a list of the script lands:

B. The NW $\frac{1}{4}$ of the SE $\frac{1}{4}$, Sec. 13, T. 13, S. R. 3 W. S.B.M., 40 acres. This land is just below the Lake Hodges Dam, was scripted by P. R. Johnson and now stands in the name of Wm. G. Henshaw.

C. The SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Sec. 18, T. 13 S. R. 2 W. S.B.M., 40 acres. This land was scripted by P. R. Johnson, and now stands in the name of Wm. G. Henshaw except that portion which lies below the 315 contour and which has been deeded to the San Dieguito Mutual Water Co.

D. The SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Sec. 18, T. 13 S. R. 2 W. S.B.M., 40 acres. Scripted by W. S. Post. This is unsurveyed land and there can be no patent issued for it. Mr. Post signed a grant deed conveying this property to Ed Fletcher. This deed, however, has not been recorded, as it would be valueless until such time as patent is issued on the land to W. S. Post.

Total paid on script land \$2,000.

E. The SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Sec. 18, T. 13 S. R. 2 W. S.B.M., 40 acres: Scripted by E. O. Faulkner. This being also unsurveyed land, there can be no transfer made until patent is issued.

Total paid \$600, one half by W. G. Henshaw one half by San Dieguito Mutual Water Co., but San Dieguito Mutual Water Co. bought back the half paid for by Mr. Henshaw.

A. The only entry taken up in the name of Wm. G. Henshaw in connection with the Hodges reservoir, is as follows:

The NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ and the W $\frac{1}{2}$ of the SE $\frac{1}{4}$, Sec. 13, T. 13 S. R. 3 W. S.B.M., total 160 acres: This land now stands in the name of Wm. G. Henshaw, and we have been paying taxes on it since 1918. Cost \$400.

There was no understanding between Mr. Henshaw and myself in relation to this.

Yours very truly,

RF/bm
cc MEF
WL

October 23, 1919.

Mr. Wm. G. Henshaw,
762 Mills Building,
San Francisco.

My dear Mr. Henshaw,

In conferences with Messrs. Lees and Black I find, to my surprise, that you are under the impression that the Carroll, or San Dieguito project never was included in the original offer to the City of San Diego.

It was included, both in the offer that I made to the city with your authority; also in the valuation placed on same by Harroun, the expense of which was paid one-half by the city and one-half by you; and, also the final offer to the city which was signed by you included the Carroll, or San Dieguito project, therefore, it was in the Volcan agreement between you and myself, covering my compensation for services. I am quite sure Mr. Black and Mr. Lees will confirm this statement after the last investigation.

In your offer to the city you only included 2960 acres of land at Warners; Pamo - 662 acres; Sutherland - 434.1 acres; Santa Maria - 80 acres; Carroll, or San Dieguito - 883 acres; San Clemente - 217.5 acres, together with rights of way, riparian rights, work completed, surveys, etc.

My estimate of a reasonable cost value to you of the above properties offered to the city, together with work completed, - everything that you were turning over to the city at the time you made the last offer - would have cost you at that time approximately between \$800,000 and \$900,000. The valuation of \$1,500,000 before I received any profits was satisfactory, for I felt at that time that an early sale would be made, and that you were entitled to a larger share of the profits than I, even after you got back your money and interest.

I want you satisfied, and I know you want me to be satisfied as well, therefore, in lieu of our present agreements as to compensation, I suggest for your consideration the following changes:

When the San Dieguito Mutual Water Company's system is sold, as represented by your contract with the Santa Fe Land Improvement Company, the present agreement between us to hold good: 1st: That the first \$350,000 that you receive from the sale of your interests in the San Dieguito Mutual Water Company's system, together with 6% interest, is to be paid to you, either in cash, or bonds at their market value: That any profit over and above said \$350,000 and six per cent interest, is to be divided equally between us: In addition thereto, you to receive one-half of any commissions that I receive from the San Dieguito Mutual Water Company, or from the South Coast Land Company for the sale of their properties: And, in addition you are to have one-half of any profits I may make from any agreement with the San Dieguito Mutual Water Company for the sale of water to the city, and I am to be paid my half of the profits from the sale of the San Dieguito Mutual Water Company's system at the time the sale is made.

Now as regards the balance of my compensation for the sale of the Volcan project: When it is sold there is to be credited to the Volcan project the sum of \$350,000, with interest, which you receive from the sale of your stock in the San Dieguito Mutual Water Company's system, and it will be satisfactory to me to have charged against the Volcan project the total cost of all moneys expended for the entire San Dieguito project, including the Bernardo Ranch - all the lands inside and outside of Lake Hodges reservoir that have been acquired, including all expenditures for water rights and lands that have been paid out between Lake Hodges dam and the ocean on the San Dieguito River, it being understood that all lands outside the Lake Hodges reservoir, the ownership of which you still retain, shall be an asset of the Volcan project.

This will be modifying our Volcan agreement regarding my compensation of one-half of the profits over and above the \$1,500,000 and interest. Under all circumstances it seems to me only fair that any outside lands, not included in the original offer to the city, that are necessary to complete the sale of the Volcan project, and which you own shall be charged up against the Volcan project based on a reasonable average cost, and considering a fair appraisal of the value of the lands outside the reservoir site and not required by the water project.

To illustrate: Your offer to the city only includes approximately 2960 acres of land. We will

unquestionably require about 6,000 acres when the sale of the Volcan project is made. There will also be additional lands needed in the Fano, Sutherland and San Clemente reservoir sites. A fair cost value of all these additional lands shall be charged up against the Volcan project before determining any profits.

I sincerely trust that this suggestion as to a new agreement along the lines above mentioned meets with your approval.

If you prefer to make an entirely new proposition, including all the lands and water systems, (excepting the Whitney Syndicate lands), which you have acquired in San Diego County, and make an agreement whereby you get back the return of all your money, and six percent interest, and give me as my compensation an equitable percentage of the net profits, whether it be lands, or cash, after you have received the return of your money and interest, I am sure an agreement of that kind can be made between us. But, it should include my receiving at the time you sell your interest in the San Dieguito Mutual Water Company one-half of the profits from said sale at the time said sale is made, as per our present agreement, as I believe the San Dieguito Mutual Water Company's system will be sold shortly, and I must have some money to take care of my obligations.

When the Volcan project is sold, in case not enough money is received to pay for all the obligations in the purchase of lands, I should, at least, get \$100,000 on account of my profits, until the lands are sold. If the sale of the Volcan project pays off all expenses, including what is due you, and six percent interest, then I should be paid my pro-rata of the balance of the money on hand, as well as my interest in the remaining lands, according to the terms of any new agreement that we might make.

If you wish to leave the Warners Ranch out, this arrangement is satisfactory, on the understanding that the question of the additional lands, approximately 3,000 acres from Warners, will be relatively a cost price to the Volcan project. The question of the cost of these 3,000 additional acres of land can be left to arbitration in the usual manner, if we cannot agree on it - the decision of the board of arbitrators to be final.

October 23, 1919.

Mr. Wm. G. Henshaw,
762 Mills Building,
San Francisco.

My dear Mr. Henshaw,

In conferences with Messrs. Lees and Black I find, to my surprise, that you are under the impression that the Carroll, or San Dieguito project never was included in the original offer to the City of San Diego.

It was included, both in the offer that I made to the city with your authority; also in the valuation placed on same by Harroun, the expense of which was paid one-half by the city and one-half by you; and, also the final offer to the city which was signed by you included the Carroll, or San Dieguito project, therefore, it was in the Volcan agreement between you and myself, covering my compensation for services. I am quite sure Mr. Black and Mr. Lees will confirm this statement after the last investigation.

In your offer to the city you only included 2960 acres of land at Warners; Pamo - 662 acres; Sutherland - 434.1 acres; Santa Maria - 80 acres; Carroll, or San Dieguito - 883 acres; San Clemente - 217.5 acres, together with rights of way, riparian rights, work completed, surveys, etc.

My estimate of a reasonable cost value to you of the above properties offered to the city, together with work completed, - everything that you were turning over to the city at the time you made the last offer - would have cost you at that time approximately between \$800,000 and \$900,000. The valuation of \$1,500,000 before I received any profits was satisfactory, for I felt at that time that an early sale would be made, and that you were entitled to a larger share of the profits than I, even after you got back your money and interest.

I want you satisfied, and I know you want me to be satisfied as well, therefore, in lieu of our present agreements as to compensation, I suggest for your consideration the following changes:

Wm. G. Henshaw - 2 -

When the San Dieguito Mutual Water Company's system is sold, as represented by your contract with the Santa Fe Land Improvement Company, the present agreement between us to hold good: ie: That the first \$350,000 that you receive from the sale of your interests in the San Dieguito Mutual Water Company's system, together with 6% interest, is to be paid to you, either in cash, or bonds at their market value: That any profit over and above said \$350,000 and six per cent interest, is to be divided equally between us: In addition thereto, you to receive one-half of any commissions that I receive from the San Dieguito Mutual Water Company, or from the South Coast Land Company for the sale of their properties: And, in addition you are to have one-half of any profits I may make from any agreement with the San Dieguito Mutual Water Company for the sale of water to the city, and I am to be paid my half of the profits from the sale of the San Dieguito Mutual Water Company's system at the time the sale is made.

Now as regards the balance of my compensation for the sale of the Volcan project: When it is sold there is to be credited to the Volcan project the sum of \$350,000, with interest, which you receive from the sale of your stock in the San Dieguito Mutual Water Company's system, and it will be satisfactory to me to have charged against the Volcan project the total cost of all moneys expended for the entire San Dieguito project, including the Bernardo Ranch - all the lands inside and outside of Lake Hodges reservoir that have been acquired, including all expenditures for water rights and lands that have been paid out between Lake Hodges dam and the ocean on the San Dieguito River, it being understood that all lands outside the Lake Hodges reservoir, the ownership of which you still retain, shall be an asset of the Volcan project.

This will be modifying our Volcan agreement regarding my compensation of one-half of the profits over and above the \$1,500,000 and interest. Under all circumstances it seems to me only fair that any outside lands, not included in the original offer to the city, that are necessary to complete the sale of the Volcan project, and which you own shall be charged up against the Volcan project based on a reasonable average cost, and considering a fair appraisal of the value of the lands outside the reservoir site and not required by the water project.

To illustrate: Your offer to the city only includes approximately 2960 acres of land. We will

Wm. G. Henshaw

- 3 -

unquestionably require about 6,000 acres when the sale of the Volcan project is made. There will also be additional lands needed in the Pamo, Sutherland and San Clemente reservoir sites. A fair cost value of all these additional lands shall be charged up against the Volcan project before determining any profits.

I sincerely trust that this suggestion as to a new agreement along the lines above mentioned meets with your approval.

If you prefer to make an entirely new proposition, including all the lands and water systems, (excepting the Whitney Syndicate lands), which you have acquired in San Diego County, and make an agreement whereby you get back the return of all your money, and six percent interest, and give me as my compensation an equitable percentage of the net profits, whether it be lands, or cash, after you have received the return of your money and interest, I am sure an agreement of that kind can be made between us. But, it should include my receiving at the time you sell your interest in the San Dieguito Mutual Water Company one-half of the profits from said sale at the time said sale is made, as per our present agreement, as I believe the San Dieguito Mutual Water Company's system will be sold shortly, and I must have some money to take care of my obligations.

When the Volcan project is sold, in case not enough money is received to pay for all the obligations in the purchase of lands, I should, at least, get \$100,000 on account of my profits, until the lands are sold. If the sale of the Volcan project pays off all expenses, including what is due you, and six percent interest, then I should be paid my pro-rata of the balance of the money on hand, as well as my interest in the remaining lands, according to the terms of any new agreement that we might make.

If you wish to leave the Warners Ranch out, this arrangement is satisfactory, on the understanding that the question of the additional lands, approximately 3,000 acres from Warners, will be relatively a cost price to the Volcan project. The question of the cost of these 3,000 additional acres of land can be left to arbitration in the usual manner, if we cannot agree on it - the decision of the board of arbitrators to be final.

Wm. G. Henshaw

- 4 -

An early reply will be greatly appreciated, as I want to know that you are satisfied, and I know that you want to do the fair thing by me.

Yours very truly,

EF:KLM

*I hereby certify that I personally mailed this letter at 6 P.M.
10/23/19
H. May*

William G. Henshaw
Mills Building
San Francisco

October 28, 1919

Mr. Ed. Fletcher
920--8th St.,
San Diego, Cal.

Dear Ed:

In reply to yours of October 23, I wish to say that this letter in connection with the verbal explanations given by Mr. Lees and Mr. Black convince me that the matter of your compensation in the sale of the Volcan System can be arranged to our mutual satisfaction. It is apparent that our minds have never really met in these transactions.

I expect to be in Los Angeles not later than Monday. I will get you on the telephone and make an appointment so that we can discuss all these matters and after arriving at a conclusion put the same in definite shape.

Yours very truly,

W. G. Henshaw

WGH:ME

17 November 1919

Mr. Wm. G. Henshaw,
762 Mills Building,
San Francisco.

My dear Mr. Henshaw:

I thank you for the copy of the Oceanside Blade. I take it each week, and was familiar with its contents.

There is a man named Gray, and a man named Blake, both very wealthy men, who have bot lots and built houses at Del Mar. They claim that they have been grossly mis-treated by the South Coast Land Company, and these gentlemen, together with Mr. Jones and one or two others, have already spent \$800 or \$900 in fighting the Cardiff Irrigation District, but they cannot get away with it.

I am expecting Mr. Murray any day. I don't know what on earth to do about the hearing on the 10th of December. Murray has told me to hire no one, and yet this is the most important case before the Commission in our history. Your brother should be here, and Mr. Sweet should be employed. They are going to make a big fight on the water rights. Sweet and I saw the bonds burned. My claim is that every man who owned a water right was foreclosed when the bond holders took over the system, and we bought from the bond holders. What advice can you give me in the matter?

The City Council wanted to do some core drill boring at the El Capital damsite which we own. I know that the Water Commission is friendly and I felt it would not be advisable for us to refuse to let them go on our land, and for that reason I gave consent for them to go on the land and put down core drillings at the damsite, providing that they furnish us with a complete log and map. This will be a valuable record for us in any event, and we get done for nothing work that would cost us \$4000 or \$5000.

There are a number who still think that

El Capitan Dam should be built; that the Lake Hodges water should be brought across the valley, and the water dropped 1,000 ft. into El Capitan. Really, if the bed-rock is at El Capitan, this is a sound proposition, for the water that will come from Sutherland, together with the surplus water which Cuyamaca Company cannot control, makes El Capitan Dam a wonderful proposition - the best in the country. Water will flow by gravity from El Capitan into Murray dam.

McClure gets here Wednesday night. He will be at Perris Tuesday and Wednesday.

Yours very truly,

EF:
KLM

18 November 1919

Mr. Wm. G. Henshaw,
Riverside Portland Cement Co.,
Los Angeles, Calif.

My dear Mr. Henshaw:

Enclosed herewith find clipping covering Mr. Johnson's report at the annual banquet of the Chamber of Commerce. Mr. Johnson is chairman of the Water Committee, and will be the next president of the Chamber of Commerce.

Mr. Murray has not yet arrived; in the meantime nothing is being done publicly until after the Barrett dam election takes place the 24th.

Enclosed find a new suit that the San Pasqual people have brought. This is the first I have heard of it. It is going to complicate matters, and may temporarily make us trouble with the Cardiff Irrigation District. It gives the opposition a chance to howl. I recommend that we either by voluntary agreement, or thru the court get the whole case referred to the State Water Commission. This involves all the water rights in the San Pasqual valley which you have not as yet acquired.

Mr. John F. Gray, a lot owner in Del Mar, who has it in for the South Coast Land Company has brought a suit against the Cardiff Irrigation District, declaring the assessment which has just been made by the Board of Directors illegal. He is very bitter against the South Coast Land Company, and in my opinion, has joined with the riparian owners in the San Pasqual to stir them up, but I have no fear of the outcome of this whole proposition. If the State Engineer approves the inclusion of these new lands, I feel quite certain the Board of Directors will at an early date ask the Bond Commission for the approval of a bond issue and then the election will be held.

Yours very truly,

EF:KLM

18 November 1919

Mr. Wm. G. Henshaw,
Riverside Portland Cement Co.,
Los Angeles, California.

My dear Mr. Henshaw:

I have been thinking over the matter of the suit of the San Pasqual riparian owners. You are vitally interested in this suit, and I do not know whether Crouch is big enough to handle it.

I have not seen the nature of the suit, but as soon as I am served with the papers, I will send you up a copy.

Your efforts should be to hold the riparian owners there down to their actual use, so as to make your liability as small as possible when it comes to building the Pamo dam. The San Dieguito Mutual Water Company are also interested. You might get Mr. Glotfelter to handle your interests in this case; it might be economy.

Do you desire to join in and stand half of the expense, and the San Dieguito Mutual Water Company to stand the other half, or do you want to act independently? In some ways I can see where it is to your advantage to get this decision now, eliminating the uncertainty and know what you are up against with the riparian owners below Pamo dam, and above Lake Hodges. It will clarify the situation and the suit, I should say, ought to be pushed as fast as possible.

Yours very truly,

EF:KLM

William G. Henshaw
Mills Building
San Francisco

San Francisco, Calif. Nov. 19, 1919.

Mr. Ed. Fletcher.,
San Diego, Calif.

Dear Ed.:

Answering yours of the 17th inst., in which you mention that Murray objects to any employment of attorneys for the hearing on the tenth of December, I can only say that although our interests are smaller, our rights are identical with Mr. Murrays' and I think that we would be justified in employing attorneys to represent us. We do not desire to get into a row with Mr. Murray but I agree with you that the matter is too important to be neglected. I will try to get you on the phone Friday afternoon from Los Angeles and discuss this matter more fully.

I will only add that referring to your letter of the 8th inst., I certainly hope you have not authorized the Government to make a report on the San Diego River at my expense. I think it is unfair that these examinations, made for the benefit of the public, should be paid for by me. This would also apply to the Perris Valley Irrigation project.

Treanor has just forwarded me a clipping from some Perris paper in which there is quite a place devoted to the report to the committee, etc. etc., in relative to the water development. This would be valuable reprinting in San Diego papers and I assume that you have already received a copy.

Yours very truly.,

Wm. G. Henshaw
(H)

WGH/GL

William G. Henshaw
Mills Building
San Francisco

San Francisco, Calif. November 28, 1919.

Mr. Ed. Fletcher,
San Diego, Calif.

Dear Ed.:

Answering yours of the 18th inst., in relation to the suit of the San Pasqual riparian owners; I certainly do not think that Crouch is big enough to handle this case and will gladly join in with the San Dieguito Mutual Water Company to protect this case.

If it would not cost too much, I would like to see our side represented by Clotfelder & Henry Stevens.

Yours truly.,



WGH/GI

William G. Henshaw
Mills Building
San Francisco

San Francisco, Calif. Nov. 29, 1919.

Col. Ed. Fletcher,
San Diego, California.

Dear Colonel:

Pursuant to our several conversations I now make a proposition to you in reference to commissions to be paid to you upon sale of certain properties and rights owned by me in San Diego County; this proposition to be in lieu of and to supersede all other agreements in that behalf whether had orally, by letter or otherwise, and is as follows:

You shall be entitled to receive one half of all profits derived by me, whether in cash, bonds or other evidences of indebtedness or unsold lands from the sale of my water rights, diversion rights and properties appurtenant thereto or acquired in connection therewith, exclusive of the Warner's ranch, but inclusive of about 2900 acres in proposed reservoir site. Said water rights, diversion rights and properties constituting two separate and distinct systems commonly known and designated as:

1. The Volcan System and, 2nd, the San Dieguito System.

For the purpose of arriving at profits it is agreed that the cost to me of said two systems shall consist of the following items:

William G. Henshaw
Mills Building
San Francisco

1st. The Volcan System, \$1,500,000. as of the
day of January 1st., 1914.

2nd: Interest on said \$1,500,000. from said last
named date at the rate of six per cent per annum to date of sale.

3rd: Actual cost to me of the San Dieguito System as
shown by my books.

4th: Any and all sums spent by me for overhead and
administrative expenses, betterments, improvements or construction
work upon both of said above named systems as shown by my books.

5th: Interest on items numbers three and four from date
of payment to date of sale at the rate of six per cent per annum.

Your compensation or commissions referred to are
dependent upon my making a sale of said two systems on or before
two years from the date hereof and I, on my part agree to use my
best endeavors to sell and dispose of said properties before the
expiration of said period, and I will expect you to do the same.

This letter is sent to you in duplicate and if it
fully and fairly expresses the understanding had between us during
recent conversations, kindly sign the approval appended hereto and
return one copy to me and the same will then be taken and deemed as
our contract covering the subject matter therein referred to.

Very truly yours.,

APPROVED:

San Diego, Calif.

W. G. Henshaw

19 .

San Francisco, Calif. Nov. 29, 1919.

Colonel Ed. Fletcher.,

San Diego, Calif.

My dear Colonel:

After a good deal of discussion
I have at last had prepared a letter from Mr. Henshaw ^{to you}
which I think covers the agreement between you and
which I trust is satisfactory to you.

Hoping to see you soon and with
kind regards to you and Mrs. Fletcher., I am

Yours very truly.,

W. G. Henshaw

WL/GT

William G. Henshaw
Mills Building
San Francisco

San Francisco, Calif. Dec. 2, 1919.

Mr. Ed. Fletcher.,
San Diego, Calif.

Dear Mr. Fletcher:

In preparing certain figures here today the question came up, figuring the interest on the investment by Mr. Henshaw in the San Diego Water Project.

It then occurred to Mr. Henshaw that his letter did not provide for interest on the unpaid interest and he requested me to write you in reference to the matter and enquire as to your views of the fairness of compounding interest annually.

Kindly let me hear from you as to this and oblige

Yours truly.,

W. G. Henshaw

WI/GI

10 December 1919

Mr. Wm. G. Henshaw,
762 Mills Building,
San Francisco.

My dear Mr. Henshaw:

I have been pounding either Jones, Stearns or Sample on the back every day, and it is only this morning that Sample told me he had made every effort, but that Macmullen told him yesterday that John D. was opposed to the formation of any irrigation district, and that the Union would not print anything.

It came as a shock to me, but I cannot believe that it is true, and am following the thing up. I may see Mr. Spreckels personally within the next day or so.

I saw the Southern Trust and Commerce Bank personally, and then wrote them a letter. Hereto attached is their reply. I hope to make this \$15,000 loan for you, and in that way clean up the Ward mess. I may have to go up there with Mr. McArthur, their representative, today.

Yours very truly,

EF:KLM

San Diego, California.
December 10th, 1919

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

My dear Mr. Henshaw:

Referring to the attached statement
from Warners Springs:

Mr. Weitzel is a member of the City
Council. He asked me if there was any room
for him at Warners, and put it in such a way that
I told him I would make a reservation for him.
I only expected him to stay two or three days,
and gave him a letter to Woodward & Kerr to
treat him as our guest. However, he and his
son stayed for a week or two, to my surprise.

Enclosed find check for half of this
charge, \$55.50.

Yours very truly,

EF/bm
encl

12 December 1919

Mr. Wm. G. Henshaw,
762 Mills Building,
San Francisco.

My dear Mr. Henshaw:

I saw Mr. Jones this morning after his
conference with Mr. MacMullen. Mr. Jones informs
me that the Holzwasser interview which Mr. Sample
asked Mr. MacMullen to print was a foolish
article, and should never have been printed, that
Mr. MacMullen is not opposed to the irrigation
district plan, and that as soon as Mr. Spreckels
returns and he can have a conference with him, that
a plan will be worked out for immediate action.

Mr. Jones protested against any further
articles being printed in the paper regarding the
Perris plans, saying that it only stirred people up.
In the meantime we have asked the Sun people to
lay off for a few days.

I know Jones is doing everything he
can to straighten out this mess. The only thing
to do is to let them thrash it out for a week
or so and see what develops.

The business men of this city are unan-
imously behind us, as well as the Chamber of Commerce
and the City Water Commission. Enclosed find copy
of resolution passed by the Chamber of Commerce
yesterday, at my request, in relation to the con-
tract with the San Dieguito System. The City Water
Commission will come out this afternoon with another
strong resolution in favor of the contract with the
San Dieguito Company, and I believe everything will
be straightened out this coming week. I hope the
money will be forthcoming from the city to build
their own pipe line from La Jolla to Del Mar. It is
to be determined at a conference next Tuesday.

Yours very truly,

EF:KLM

Fifteenth December 1919

Mr. Wm. G. Henshaw,
762 Mills Building,
San Francisco.

My dear Mr. Henshaw:

I am in receipt of your revised agreement covering my compensation for my services in the sale of the Volcan and San Dieguito Systems.

We already have a definite agreement regarding my compensation in the sale of the San Dieguito System and the Volcan System, as well. My desire for a new agreement was on account of the fact that there have been some changes in the report of the engineers, as to the lands required, one large item being that in our offer to the city covering the sale of the Volcan System, it included a dam only 90 feet in height, flooding about 2900 acres. Our agreement as to my compensation on the sale of the Volcan System only calls for the delivery by you of 2900 acres. Plans have since been changed and we will need over 6000 acres. Such details as cost of the balance of the lands, I am desirous of getting settled with you at an early date. In this revised agreement of November 29th, 1919, which you sent me, this matter is not taken care of.

Then again, I wanted a revised agreement to conform with your wishes in relation to my participating in the profits, or losses, of the outside lands which you have been compelled to buy. A new agreement, I am sure, can be made that will satisfy us both.

I have not consulted any attorney in relation to this revised agreement of November 29th, 1919, which you have submitted, but my interpretation of this revised agreement is, that if all these properties mentioned in the revised agreement are not sold within two years from November 29th, 1919, in case I sign this revised agreement, I will be waiving any rights for my services the last ten years, no matter how large profits were made in the sale of the San Dieguito and Volcan Systems thereafter. In other words, by signing this revised agreement of November 29th, 1919, as submitted, my interpretation of the agreement is that I would be waiving all rights in our present agreements, and after November 29th, 1921, in case the systems were sold at a profit, I would have no legal claim against

Wm. G. H. - 2 -

you, or your estate.

I do not for a minute think this is your intention. I have given the best there is in me the last eight or ten years, to cooperate with you and I do not believe you want to put me in that position. It is possible that I have misinterpreted the revised agreement.

Again, we have a definite agreement as to the sale of the San Dieguito System, independent of the Volcan, and over and above \$350,000 and 6% interest, I am to have one-half of the profits when the system is sold. This is not provided for in your revised agreement as an independent settlement, and is, undoubtedly, an oversight.

If you will tell me how much per acre you are going to charge our account with for the increased acreage at Warners, Sutherland, Pamo and San Clemente, I shall be pleased to submit a revised agreement, which I am sure, will be absolutely satisfactory to you.

Yours very truly,

EF:KIM

*Mailed by me
Dec. 17th, 1919
Latherine L. May*

Mailed by Bertha Marshall, personally,
at 3 p.m. Dec. 17th, 1919

December 17th,
1919

Mr. Wm. G. Henshaw,
C/o Riverside Portland Cement Co.
Title Insurance Building,
Los Angeles, California.

My dear Mr. Henshaw:

Attached hereto is copy of letter of August 11th, 1919, signed by Mr. Hodges and o.ked by you, in relation to furnishing water to the City of San Diego. The arrangement I have finally completed is better than the one outlined in your letter of August 11th, to this extent:

1st. The San Dieguito Mutual Water Co. gets its 7 ¢ per 1000 gallons that it asks for its water.

2nd. I have induced the City of San Diego to put in \$25,000 toward the cost of the pipe line, while in the agreement of August 11th we were to furnish all the money and the City none.

3rd. The City maintains the pipe line under the lease and stands all losses by leakage or otherwise, as well as maintaining the pipeline which cost would otherwise fall on us, and the San Dieguito Mutual Water Company is interested in 1/3 the profits.

There is no question but what if we had followed out in detail the offer of August 11th the profits would have been materially less than they will be in the revised plan, for we never could have built the pipe line from the city limits of Del Mar, taking care of the interest on the investment, operated it, maintained it, and delivered water into La Jolla for 5 ¢ per 1000 gallons, for it is demonstrated that we could not put a pipe line along the

-2- WGH

bluff from Del Mar to La Jolla and maintain it, and the only way to get water to La Jolla is by pumping it 200 feet over the hill, at a cost of 3 ¢ or 4 ¢ per 1000 gallons just for pumping alone, which cost the City now assumes. Under this new arrangement we are absolutely certain of a profit of 3 ¢ per thousand gallons, besides paying to the San Dieguito Mutual Water Company its 7 ¢ per thousand gallons as per its offer of August 11th.

I held a final meeting with the City Council, the City Attorney, City Water Commission, City Manager and the Mayor, and as immediate action was necessary, owing to the fact that the cost of pipe increased 15% on the 15th, I had to act immediately to reduce the amount of our investment and the amount we would have to borrow, and to save the City -as well as the San Dieguito Mutual Water Company - \$30,000 or \$40,000 in the construction of this pipe line from the present connection to the city limits of San Diego South of Del Mar.

Under the terms of the agreement between you and me, I am to have one half the net receipts either in bonds or cash when the San Dieguito System is sold, after you have received your \$250,000 and 6% interest, and you are to have, one half of any commissions that I may make in the sale of San Dieguito Mutual Water System or water stock.

Final contracts with the City are being drawn up by the Santa Fe attorneys, to submit to you and Mr. Hodges within two or three days.

We have discussed the matter several times, and I had assumed you would join me in borrowing the money to construct this pipe line, under the terms of the agreement made with the City, and share with me in the profits, assuming, of course, that the contracts were legal, and not the approval of your attorneys. So I was rather surprised yesterday to have you tell me over the phone that you wanted Mr. Hodges to sign the notes. There is no reason why Mr. Hodges should sign the notes personally unless

he is to share in the profits, and it has never been understood that the San Dieguito Mutual Water Company was to sign the notes. The profits to you and me, on this ten year contract, if carried out, would be approximately \$140,000.

I have no reason to believe but what the banks of this City will finance the cost of this pipe line, taking your notes and mine. The Southern Trust & Commerce Bank said the State Superintendent of Banks would have to approve the loan, so I took the matter up with Mr. Stern yesterday, while in Los Angeles, and he has agreed to approve the loan. The loan will be paid in full in four years, the City paying \$12,500 a year on the principal and the entire interest. The interest is to be payable quarterly. The following will be the receipts of money to be applied on the notes given the banks:

The first year, \$28,925.
The second year, 34,400.
The third year 34,400. and by the end of the fourth year the loan will have been paid practically in full.

The plan is for the City of San Diego to give us free rights of way for the pipe line, and we will own the pipe line until it is completely paid for. Part of it will be wooden pipe under pressure, and the balance concrete pipe, size 16". We to give our notes for the sum borrowed. Everything will be transferred to a Trust Company; the Trust Company to collect the monies, paying 7 ¢ per 1000 gallons to the San Dieguito Mutual Water Co. and retaining 3 ¢ to be applied on the notes. They will also collect the yearly payments from the City of \$12,500 each. After the notes have been paid, at the end of four years, we will continue getting a revenue of \$12,500 until the pipe line is fully paid for, as well as a revenue of 2 ¢ per 1000 gallons for all water sold; the other 1 ¢ representing 1/3 the profit, going to the San Dieguito Mutual Water Company, as per the offer of August 11th, 1919, copy of which is herewith attached.

I hope you will join in with me in this matter. It will certainly be a pleasure to make you a \$70,000 profit on this contract.

For policy's sake and by preference, I feel it would be advisable for you and me to offer Mr. Hodges an opportunity to sign the notes for the money borrowed, and share in the profits equally with us. If he does not accept, by all means I hope you will join me in what I consider a sure shot which will bring us \$140,000. at least, on this contract.

Yours very truly,

BF/bm

-4- WCH.
12/17/19

P.S.- The Del Mar Low Owners Association who are bitterly opposed to the South Coast Land Company, and are fighting this District, have sent a representative, Assemblyman Doran to the State Engineer, the Attorney General, and the State Superintendent of Banks, as well as Governor Stephens personally, and a strong protest by these people has been made through Mr. Doran. Also, the opposition land owners outside Del Mar have made a protest to the above mentioned gentlemen, asking that another engineer be selected to make an investigation and valuation, and making many extravagant claims. They have over-played their hand. I had a conference with Mr. Stern yesterday, and also with Mr. McClure, in Los Angeles, and I am of the opinion that next Monday they will have a hearing in San Francisco and that favorable action will be taken, approving Mr. McClure's valuation. I am of the opinion that both Mr. McClure and Mr. Stern resent very much the reflection as to the integrity of Mr. McClure and the integrity of Mr. Huber, as evidenced by this protest.

The probabilities are that petitions calling bond election will be circulated within ten days from date, in the Cardiff Irrigation District.

Mr. McClure met the Pasadena lot owners who have been protesting, yesterday, and he afterwards told me his interview with them was satisfactory and that he felt sure they had changed their ideas in relation to the sale of the San Dieguito System, and Mr. McClure feels that the Pasadena Lot Owners are convinced they have been misled.

E. F.



RIVERSIDE PORTLAND CEMENT CO.

640 TITLE INSURANCE BLDG.

LOS ANGELES, CAL.

December 19, 1919.

Colonel Ed. Fletcher,
San Diego, California.

Dear Ed:

Answering yours of December 17th in relation to the arrangement with the San Dieguito Mutual Water Company and the City of San Diego.

In your letter you make no mention of the cost of the proposed pipe line. When I talked with you on the telephone with reference to Mr. Hodges or the Mutual Water Company joining in the transaction, I did not know that it could be financed through the local banks and that there would be a profit in the transaction. I feel that if as a result of the transaction we merely produced a customer for the Mutual Water Company, that they should join in the burden of obtaining the customer.

I certainly want the whole matter fully explained to Mr. Hodges, and then have the matter settled on some proper and satisfactory basis. If the Mutual Water Company does not join in the matter I would very much like to have Mr. Hodges join in it personally, but in any case the whole matter must be thoroughly understood by everyone. We particularly must be careful to see that whatever action we take is proper and right in view of the fact that we are both directors or trustees of the Mutual Water Company.

When the pipe line is paid for you mention that the Mutual Water Company, as expressed in the letter of August 11th, will be entitled to one cent more per thousand gallons. From a cursory reading of the letter I would say that they are entitled to one-third of all the profits. This should be clearly determined, and of course everything put in legal shape.

I contemplated making a visit to Warner Ranch on this trip, but will apparently be tied up here the rest of the week, and Christmas coming so soon I am afraid I

will have to postpone the trip to the Ranch until after the first of the month. The main thing I want to go to the ranch for is to try to finally determine the actual reservations I want to make in case the ranch is sold. However, I will try to get you on the 'phone tomorrow (as I understand you are off in the country today with Mr. Hodges) and talk the matter over with you.

Yours truly,

Wm. G. Henshaw

WGH/NEM

20 December 1919

Mr. Wm. G. Henshaw,
Riverside Portland Cement Co.,
Los Angeles, California.

My dear Mr. Henshaw:

Answering yours of the 19th, will say I put it up to Mr. Hodges yesterday to join in with us on the notes for the La Jolla pipe line, and take a share of the profits, but he said that it was out of the question, owing to his close relationship with the Santa Fe.

I told him yesterday that under the contract which you and I will have with the Santa Fe Land Improvement Company, they get one-third of the profits, which is 1 cent a thousand gallons, and which leaves us two. In other words, after we pay off our notes at the bank, the Santa Fe Land Improvement Company will get one-third of the profits, which will amount to about 1¢ per thousand gallons for the entire ten year period. The profits are only 3¢ a thousand gallons, as we have changed the plan so as to sell at 10¢ delivered at the city limits, instead of 15¢ at La Jolla, and heaven knows we could not for 5 cents a thousand gallons on a ten year contract, install a pipe line, pump water 200 ft. and take care of the operation and maintenance expense besides.

A draft of the final contract between us and the city will be here Monday. Mr. Clotfelter is handling it, in conjunction with the attorneys for the banks who will make the loan, and the city attorney. As soon as they are all agreed on this contract, I will see that you get a copy, as well as a copy of the contract between you and me and the San Dieguito Mutual Water Company.

Yours very truly,

EF:KLM

Mailed by me Dec. 20, 1919.

Katherine L. May

December 22nd, 1919

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

My dear Mr. Henshaw:

Enclosed find clipping from this morning's paper relative to the San Felipe Highway, which is explanatory.

As I explained to you over the telephone, the road up San Felipe from the Imperial County line would serve both sections, Julian and Warners for a distance of approximately 22 miles, the diversion point being the north end of San Felipe Canyon. It will cost \$2500 to \$3000 to build from this point to a connection with a first class traveled road now built which extends from Warners to Montezuma Valley. This is a decided advantage for the Warners route for it will take \$30,000 to \$40,000 to build the road to Julian which they propose, at some future date. They could travel over the present Banner grade but that is very steep and dangerous, with 96 turns, and I am sure 9/10ths of the people would travel via Warners Ranch, Santa Ysabel and Julian rather than go up the present route.

A matter of vital interest for the whole northern county is a good road built across the desert from the Imperial County line up the San Felipe, so travel can commence coming that way, and that is what we are striving to get now.

When they actually get down to business, and after the crops are all in, I would like to have you authorize me, for approximately a month, to have Mr. Ream go down there with our grading outfit and work on the road, at an expense not

December 27th, 1919

Mr. Wm. G. Henshaw,
762 Mills Bldg.,
San Francisco, California.

My dear Mr. Henshaw:

Confirming our recent telephone conversation while you were in Los Angeles, will say new conditions have arisen since we came to an agreement as to my compensation for the sale of the Volcan System, such as the enlargement of the dams, with additional lands to be flooded.

Your proposed revised agreement of November 29th specifically mentions 2900 acres in the proposed Warners Reservoir site, while we need 6000 acres. This question should be settled now.

After the profits for the sale of the San Dieguito and Volcan Systems are determined, I am perfectly willing to take up to one half of my profits in your remaining lands in San Diego County, if this is your desire; the price to be mutually agreed upon or left to arbitration.

If you feel that a maximum amount should be inserted in the contract, as my share of the profit, altho you did not put it in the proposed revised agreement of November 29th, 1919, yet I am willing to agree with you upon what the maximum amount shall be. Your proposed revised agreement makes no mention of any settlement in case the San Dieguito is sold, altho we have a definite agreement on that subject.

I do not intend in any way to embarrass you, and if a revised agreement cannot be made which will meet your approval, you will have no trouble in making a satisfactory adjustment with me, and I will step down and out.

I am planning to be in San Francisco the 5th of January.

Yours very truly,

EF/bm

to exceed \$300 or \$400 to you, and the outfit can do \$1000 or \$1500 worth of work. The plan is to have this road in good passable condition the 1st of next July, and if so, we are sure of 8000 or 10000 people going up this route the coming summer. It is intended to oil the road from the Imperial County line across the desert to the granite formation, and a good passable road can be made. Wells will be sunk all along the road, for water, as an extra factor of safety.

In the next bond issue, I am satisfied this will be included as a part of the paved highway system, and the Imperial County Highway Commission have already agreed that within the next three or four months, when they call for a million and a half in bonds, this piece of road up San Felipe will be included.

Yours very truly,

EF/bm
encl

William G. Henshaw
Mills Building
San Francisco

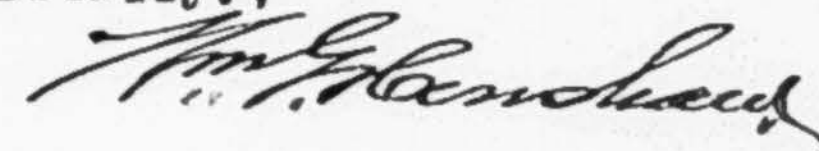
DECEMBER
TWENTY-SEVENTH
NINETEEN NINETEEN

Mr. Ed. Fletcher.,
San Diego, Calif.

Dear Ed.:

I received the olives that you and Mrs. Fletcher so kindly sent me and I must say that they are wonderful. Please accept my thanks for the same and also accept my best wishes to you both for a Happy and Prosperous New Year.

Yours cordially.,



WGH/GL

P.S. Would it not be well for you to make a trip here so that we can talk over the question of compensation to you on the sale of the Volcan, etc., and get the matter straightened out? It seems to me that when we get together that we ought to have no trouble in arriving at a satisfactory conclusion.

I want to do what is fair and right and I am anxious that you should make a large amount in case the transaction goes through.



December 29, 1919.

Mr. Wm. G. Henshaw,
Mills Building,
San Francisco, California.

My dear Mr. Henshaw:

Enclosed find copy of a letter written to Mr. Henry J. Stevens in relation to the San Pasqual litigation. I have covered the situation as fully as I can and brought out the points especially where your interests were affected as best as I could. You should see Mr. Stevens the next time you are in Los Angeles.

Yours very truly,

EF:K
Enc.

31 December 1919

Mr. Wm. G. Henshaw,
762 Mills Building,
San Francisco.

My dear Mr. Henshaw:

Confirming our recent telephone conversation while you were in Los Angeles, will say new conditions have arisen since we came to an agreement as to my compensation for the sale of the Volcan System, such as the enlargement of the dams, with additional lands to be flooded.

Your proposed revised agreement of November 29th specifically mentions 2900 acres in the proposed Warners reservoir site, while we need 6,000 acres. This question should be settled now.

After the profits for the sale of the San Dieguito and Volcan Systems are determined, I am perfectly willing to take up to one half of my profits in your remaining lands in San Diego County, if this is your desire; the price to be mutually agreed upon or left to arbitration.

If you feel that a maximum amount should be inserted in the contract, as my share of the profit, altho you did not put it in the proposed revised agreement of November 29th, 1919, yet I am willing to agree with you upon what the maximum amount shall be. Your proposed revised agreement makes no mention of any partial settlement in case the San Dieguito System alone is sold, altho we have a definite agreement in writing on that subject.

I do not intend, in any way, to embarrass you, and if a revised agreement cannot be made mutually satisfactory, there should be no trouble between you and me in making a satisfactory adjustment of my services to date, and I will step down and out. Let's get together and settle this unfortunate matter as soon as possible.

Yours very truly,

EF:KIM

P.S. Your letter of the 27th at hand. I will be in San Francisco on the 5th of January.

31 December 1919

Mr. Wm. G. Henshaw,
762 Mills Building,
San Francisco.

My dear Mr. Henshaw:

Confirming our recent telephone conversation while you were in Los Angeles, will say new conditions have arisen since we came to an agreement as to my compensation for the sale of the Volcan System, such as the enlargement of the dams, with additional lands to be flooded.

Your proposed revised agreement of November 29th specifically mentions 2900 acres in the proposed Warners reservoir site, while we need 6,000 acres. This question should be settled now.

After the profits for the sale of the San Dieguito and Volcan Systems are determined, I am perfectly willing to take up to one half of my profits in your remaining lands in San Diego County, if this is your desire; the price to be mutually agreed upon or left to arbitration.

If you feel that a maximum amount should be inserted in the contract, as my share of the profit, altho you did not put it in the proposed revised agreement of November 29th, 1919, yet I am willing to agree with you upon what the maximum amount shall be. Your proposed revised agreement makes no mention of any partial settlement in case the San Dieguito System alone is sold, altho we have a definite agreement in writing on that subject.

I do not intend, in any way, to embarrass you, and if a revised agreement cannot be made mutually satisfactory, there should be no trouble between you and me in making a satisfactory adjustment of my services to date, and I will step down and out. Let's get together and settle this unfortunate matter as soon as possible.

Yours very truly,

EF:KIM

P.S. Your letter of the 27th at hand. I will be in San Francisco on the 5th of January.

Ed Fletcher Papers

1870-1955

MSS.81

Box: 11 Folder: 15

General Correspondence - Henshaw, William - 1919



Copyright: UC Regents

Use: This work is available from the UC San Diego Libraries. This digital copy of the work is intended to support research, teaching, and private study.

Constraints: This work is protected by the U.S. Copyright Law (Title 17, U.S.C.). Use of this work beyond that allowed by "fair use" requires written permission of the UC Regents. Permission may be obtained from the UC San Diego Libraries department having custody of the work (<http://libraries.ucsd.edu/collections/mscl/>). Responsibility for obtaining permissions and any use and distribution of this work rests exclusively with the user and not the UC San Diego Libraries.