

Why Buy a Pig in a Poke

—I—

Why purchase the Fletcher junk in Normal Heights for \$192,000, plus \$150,000.00 for Mission Gorge Dam Site No. 3. Furthurmore why buy No.3? Who gets the profits?

—II—

What does this so-called water system consist of? Answer, about \$72,000.00 worth of Cast Iron Pipe, which will parallel our own 36 inch line from El Capitan Dam, PLUS SOME OLD METERS, plus a lot of old worn out wrought-iron pipe.

—III—

Where will the City of San Diego secure the money to rebuild the so-called Normal Heights water system? Echo answers, Where - Prophets say, NOT FROM A BOND ISSUE.

—IV—

How can City Attorney Higgins make a contract with the La Mesa Irrigation District for 1,000,000 gallons of water daily when he maintains, before the courts, that they have no rights on the San Diego River. Answer, WHY IS A ~~COW~~

—V— *milker*

Why should the city of San Diego assume the liability of the rehabilitation of the Fletcher Water System in Normal Heights, Answer, ED NEEDS THE MONEY.

—VI—

Who are the eminent Engineers that set the price of \$192,000.00 as the value of the Normal Heights Fletcher System Answer, Harritt and Rhodes.

—VII—

Who are Harritt and Rhodes? Answer, Harritt, is Engineer for Ed Fletcher and Rhodes is Engineer for the City of San Diego—Oh!

—VIII—

Who besides Harritt and Rhodes, know

what is in the ground in Normal Heights in the way of a Water System? Answer, **DOODLEBUGS, AND SOOTHSAYERS**

—IX—

Who is putting this deal over any way, and can any one see that it is in the interest of the Tax Payers of the City of San Diego? Do good business men buy any thing of an unknown and intangible value at an unheard of price?

—X—

Should the City acquire Fletcher's System, Normal Heights could demand a complete new installation **AND GET IT** at an added expense to the city of approximately \$400,000.00.

—XI—

Sierra Vista, a new addition to the City of San Diego, under almost the same circumstances is putting in its own system under the Public Improvement Act. The cost assessed against the property. Looks like Sierra Vista needed an Engineer or **MORE VOTES**. Moral, if you want to get something, get an Engineer.

Nothing —XII—

Why buy a system that has to be rebuilt, let Normal Heights put in a new one under the Public Improvement Act. If older sections of the City like La Jolla, Mission Beach, Etc. laid their own mains, why not Normal Heights, Answer, **NO SAVVY**.

—XIII—

Why give our adversary \$192,000,00 with which to fight us on the San Diego River and the El Capitan Dam Site

—XIV—

Is not \$192,000,00 a mighty high price to pay for 1,700 **VOTES** to help make a Mayor out of a councilman? And if he don't happen to **LAND, OH MY!**

Why not have **KEEP OFF THE GRASS** Signs in the Library Grounds

Issued by Authority

SAN DIEGO KLAN NO. 1

Knights of the Ku Klux Klan

APRIL						
9	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30

1923

Put in history copy of Stern's letter about editorials, etc. also copy of Friday night's Sun. March 6th and Saturday's Union.

Monday

30

April

Put in water history file a copy of my letter about Heilbron and one or two of my letters about the Lakeside meeting to Stern

3-5-25

C-1924

San Diego, California,

January 23, 1924.

La Mesa, Lemon Grove and Spring Valley
Irrigation District,
La Mesa, California.

Gentlemen:

The Cuyamaca Water Company hereby offers to grant an option to the La Mesa, Lemon Grove and Spring Valley Irrigation District to purchase the hereinafter described properties of the Cuyamaca Water Company at a purchase price of one million five hundred thousand dollars (\$1,500,000.00) in lawful tender of the United States, or in lieu thereof, in bonds of your district at a valuation to be agreed upon of not less than ninety-five cents on the dollar and accrued interest to date of delivery.

The bond issue and form of bonds to be certified as legal by Messrs. Dillon, Thompson & Clay of New York. The bonds to be approved for certification by the Certification Commission of the State of California.

The properties to be included in this option are described as follows:

1. Cuyamaca Dam and lands flooded; caretaker's house and one acre of ground at the dam;
Diverting Dam and caretaker's house;
Cuyamaca Flume;
South Fork diverting Dam, Flume and caretaker's house;
Murray Hill Dam and lands flooded;
Grossmont reservoir and water system;
Eucalyptus Dam, lands flooded and superintendent's house;
Entire distribution system from Eucalyptus reservoir to the city;
La Mesa ditch, Murray Dam and floodage rights and lands owned, caretaker's house and grounds;
2. Fletcher damsite and lands to be flooded and one acre of ground for caretaker's house, also ditch line from Boulder Creek to Fletcher damsite;
Conejos damsite and lands to be flooded on South Fork,

one acre of ground for caretaker's house;
El Capitan damsite and lands to be flooded, which we control, also one acre of ground for caretaker's house;

3. Mission Gorge damsite No. 3 and lands to be flooded, which we control, also one acre of ground for caretaker's house;

In deeding acreage to be flooded by the construction of Mission Gorge Dam No. 3, El Capitan Dam and Fletcher Dam, the intention is to deed to a five foot higher elevation than the floor of the constructed spillway.

4. El Monte pumping plants and ten (10) acres complete.

We reserve hunting, fishing and boating privileges for twenty-five (25) years on Mission Gorge Reservoir No. 3 when dam is completed, Fletcher Reservoir when dam is completed, and on Cuyamaca Lake. The District to get twenty-five (25) percent of the gross receipts; the above reservation to be subject to State Board of Health control as to rules and regulations.

5. We will transfer to you all surveys, maps, records, rights of way, all water filings, all water rights and riparian rights which we own affecting the construction of any of the dams above mentioned, also all necessary office records, all equipment and personal property, - the intention being to transfer everything of every kind and description which we control necessary to operate the Cuyamaca System as such.

The undersigned will furnish a certificate of title showing the above described real estate free and clear of any encumbrance as of this date, subject to all rights of way heretofore granted and subject to the following;

We can only transfer our government right to the lands on which are located the diverting dam, lands flooded and rights of way through the Indian Reservation.

This also applies to South Fork diverting dam and rights of way for flume line.

Regarding the South Fork or Conejos damsite and lands flooded, we will furnish you such title as we have received from the government, which our attorneys say is valid.

We can only transfer a perpetual easement for right of way for the La Mesa ditch.

It is understood that some of the properties above described are within the boundaries of your district.

The option to purchase the above described property on the foregoing terms to be for a period of four months from the date hereof, and the granting thereof is conditioned upon a written acceptance by you of said option and an agreement to commence within sixty (60) days from the date hereof, and diligently prosecute to a conclusion, the necessary legal proceedings for obtaining a vote of said District on a bond issue sufficient to consummate the purchase under such option; and , in the event of failure to institute and faithfully prosecute said proceedings for authorization of the bond issue, such option shall be null and void and in no further force and effect upon the Cuyamaca Water Company.

It is also understood that the acceptance of such option by the Directors of the District will impose no further obligation upon said Directors or said District than to diligently prosecute the legal steps for submitting said purchase and the issuance of bonds therefor to the electors of the District.

It is also understood that in the event of the transfer of these properties from the undersigned to said Irrigation District, the same will have to be confirmed and approved by the Railroad Commission of the State of California.

It is also agreed that if the sale is consummated, the present twenty (20) inch cast iron pipe for main on El Cajon Avenue is to be included in the sale and is to be installed without additional charge to the District. Any other expenditures during the option period that go to capital account the District will be required to refund to the Cuyamaca Water Company.

We wish it distinctly understood that in making a price of a million and a half dollars for these properties, we do not in any way consider it the true value. The reproduction value of this system and properties today is in excess of three million dollars, and cannot be duplicated for that amount. On August 12, 1919, State Engineer of California established a value for sales

purposes to the La Mesa Irrigation District at the request of the District in the sum of \$1,451,850.00. Since that date our records show that we have added \$272,873.32 to capital expenditures, and we have left all profits in the Company. We have since added our holdings in Mission Gorge No. 3, El Capitan and Fletcher dam-sites and reservoir sites, together with our surveys, core drillings, explorations, etc., the value of which, if condemned in Court, would be not less than \$750,000.00. None of the above properties were included in the \$1,451,850 valuation made in 1919 by the State Engineer; or, in other words, the present reasonable value of property under option today, in our opinion, is as follows:

State Engineer's estimate in 1919	\$1,451,850.00
Capital Expenditures since Aug. 1919	272,873.32
Mission Gorge, El Capitan and Fletcher damsites and lands to be flooded, which we control, expenditures, etc...	<u>750,000.00</u>
	\$2,474,723.32

It may be necessary to make a reservation to the San Diego Consolidated Gas & Electric Company concerning a power development on Boulder Creek, using Boulder Creek water and water from Cuyamaca Lake. Compensation for the use of the above water for power purposes would be decided by the State Railroad Commission of California and all revenue would come to the District. By the installation of this proposed power plant, it would increase our supply of water and is a benefit. The question of any contract with the San Diego Consolidated Gas & Electric Company will be decided one way or the other by April 1st, 1924, and a copy of the proposed contract will be submitted to you before it is signed in case you elect to exercise this option.

This offer is submitted upon the consideration that you will, within two weeks from date hereof, enter into a written acceptance of such option and assume the obligation therein speci-

fied to be undertaken by you, and will, in your written acceptance agree to within two months from the date hereof call an election of the voters within the district to express their views on the question of the purchase of the Cuyamaca System, otherwise this offer will be withdrawn.

Yours very truly,

CUYAMACA WATER COMPANY

By ED FLETCHER
Manager

History

RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

San Francisco, Calif.,
January 29, 1925.

RESULTS OF CONFERENCE BEFORE THE COMMISSION EN BANC
IN THE MATTER OF THE TRANSFER OF THE CUYAMACA
WATER COMPANY TO THE LA MESA, LEMON GROVE
AND SPRING VALLEY IRRIGATION DISTRICT.

Application No. 10619

The following proposals were agreed upon at this conference: to supplement the present option between the Cuyamaca Water Co. and the Irrigation District.

1. The District will assign to the City of San Diego all rights and water rights in the San Diego River which is now owns or will hereafter acquire from the Cuyamaca Water Company, and it will also consent to the entry of judgment against it in the case now pending in the Superior Court of San Diego County entitled City of San Diego v. Cuyamaca Water Co. et al No. _____
2. The District will transfer to the City of San Diego all the lands now owned by it or that it may hereafter acquire from the Cuyamaca Water Company in the El Capitan Dam and Reservoir site with appurtenant rights for the sum of one hundred thousand dollars (\$100,000).
3. The District will exercise its option to purchase Mission Gorge Dam Site No. 3 for the sum of one hundred fifty thousand dollars (\$150,000) from Cuyamaca Water Company, and the City of San Diego agrees to purchase this dam site at the cost to the District.
4. The District will lease to the City of San Diego all water producing, transmitting and storage facilities and appurtenant rights of way, easements, rights and privileges to be acquired by it from the Cuyamaca Water Company, and in consideration thereof the said City of San Diego will assume the obligation to pay a rental sufficient to meet the interest and sinking fund requirements of the bonds of the Irrigation District to the extent of the property involved therein, with an option to purchase the property so leased at the expiration of said lease.
5. In consideration for the release of some 300 acres more or less of land in the flooded area of the proposed Fletcher reservoir, Ed Fletcher, Charles F. Stern, and/or the Cuyamaca Water Company will relinquish the hunting and fishing privileges on Cuyamaca Lake and the proposed El Capitan Reservoir and in addition will grant an easement of a one hundred foot strip of land above the high water contour of Cuyamaca Lake and El Capitan Reservoir, on lands owned by them. The City of San Diego agrees to keep these lands open to the public for hunting and fishing purposes and also agrees to grant to Ed Fletcher and Charles F.

Stern the right of ingress and egress to the island in Cuyamaca Lake.

6. The City of San Diego will agree to sell to the Irrigation District water for irrigation and domestic purposes as required, subject to the following conditions: That the maximum demand shall be not to exceed eight and one-half million gallons daily, to be reached at the end of a period of twenty years, and that the demand for the intervening years shall be the subject of recommendation by the Commission's engineers after further study.

7. Arrangements should be agreed upon by and between the city and the District providing for the revision and adjustment of the rates set out above to take care of any radical changes in the future economic conditions which cannot at present be foreseen but which may possibly render the rates set out above unjust in some instances.

8. The City of San Diego agrees to take steps to acquire by lease or purchase the distribution systems now serving domestic water to the districts adjoining the City and known as Kensington Park, Teralta and Normal Heights, at a price mutually agreeable or to be fixed by arbitration or by the State Railroad Commission, as conditions may warrant.

9. The area of the Irrigation District shall be definitely determined upon, not to exceed 18,000 acres.

10. In periods of water shortage curtailment of water use in the District and in the City of San Diego will be made in the same percentage.

11. All present consumers of water from the Cuyamaca Water Company shall be provided with water service either by the City of San Diego or by the District.

12. The City of San Diego shall sell to the Irrigation District, water for irrigation purposes at the rate of six cents per thousand gallons and water for domestic purposes at the rate of sixteen cents per thousand gallons.

13. The District shall transfer to the City 400 acres more or less, now owned by it, in Mission Gorge Damsite No. 3 for consideration of \$100,000.

Henshaw

California Railroad Commission
Engineering Department

In the Matter of the Application of)
ED FLETCHER, sole surviving partner)
of the partnership formerly composed)
of James A. Murray, now deceased,)
Ed Fletcher and William G. Henshaw,)
doing business under the firm name)
and style of CUYAMACA WATER COMPANY,)
for an order authorizing the sale)
of certain water system in San Diego)
County, now owned and operated by)
said co-partnership, to the LA MESA,)
LEMON GROVE AND SPRING VALLEY IRRI-)
GATION DISTRICT, of the County of)
San Diego, State of California.)

Application No. 10519.

PROPOSED LETTER CONCERNING TRANSFER OF CUYAMACA WATER COMPANY
TO DISTRICT AND THE LEASING OF CERTAIN PORTIONS
THEREOF TO THE CITY OF SAN DIEGO

San Francisco, California,
February 13, 1925.

Henshaw

California Railroad Commission
Engineering Department

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San Francisco, California,

100 feet around lakes
horizontal
not riparian

100 feet around lakes
horizontal
not riparian

PROPOSED LETTER

Gentlemen:

The Commission has pending before it for decision the matter of the transfer of a major portion of the properties of the Cuyamaca Water Company to the La Mesa, Lemon Grove and Spring Valley Irrigation District. There is also before the Commission the application of the City of San Diego for determination of the just compensation to be paid for the El Capitán Dam Site properties of the Cuyamaca Water Company.

Each of these proceedings grows out of conflicting plans for development of the waters of the San Diego River. Whatever action may be taken upon them will not bring to an end the long controversy involving the title and the use of such waters.

The filing of these two applications brought to the attention of everybody concerned the fact that there are two conflicting plans for the development of the San Diego River. Back of each plan is a conflicting claim to the waters of the river. These conflicting claims can only be settled after long, tiresome and expensive litigation unless by agreement of the parties. While such litigation is in progress the development of the river cannot proceed along the most economical and efficient plans. The resultant delay in the development of the stream will cause a very great economic loss to San Diego City

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and vicinity. With this possibility in view, the Commission has had special studies of the situation made to determine whether a joint development might not be possible which would result in the best interests of all parties and a great saving in costs.

After reviewing the testimony presented at the hearing recently held in San Diego in connection with the proposed transfer, and after studying the reports of the Commission's Engineering, Legal and other technical staff made in connection with an additional investigation of this matter, we are thoroughly convinced that the only practicable solution of the complicated and involved water supply problem of San Diego and the country around El Cajon, La Mesa, Lemon Grove and Spring Valley lies in the abandonment by the various rival interests of the present bitter struggle to gain control of the San Diego River.

A practicable solution appears to be through the combining of interests and resources for a common and comprehensive development of the entire San Diego River watershed. The welfare of the entire community demands that this be done and done without delay.

It is clearly apparent to us that there are in actual fact but two fundamental issues involved. The Irrigation District is interested in the San Diego River only to the extent of securing at a reasonable cost a dependable supply of water in sufficient quantity to properly irrigate and develop its fertile agricultural lands and to furnish domestic water to the

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communities within its borders. The City of San Diego urgently requires the unrestricted right to develop the water supply available in the San Diego River to meet its needs. An analysis of the situation shows that these two desires not only do not conflict, but on the contrary both lend themselves most admirably and simply to joint development with no serious obstacles to bar the way, and with much benefit to both parties.

We are convinced from the results of discussion with various parties involved and public spirited citizens of the community that it is the desire of the various interests to get together, if practicable, and that if a feasible settlement of the difficulties and a practical workout of the problem can be suggested, this will be acceptable to all parties.

We recognize the fact that in making suggestions for a joint solution of the San Diego water problem we are departing from the customary practice in cases of formal applications before this Commission. Nevertheless we are convinced that so much good will come both to the City and the District by the joint development of the river and the elimination of litigation that it would be a failure on our part to do our public duty to the state were we not to make the proposals herein set forth and cooperate with the parties in a progressive step looking to the benefit of the entire territory involved.

We therefore suggest that the people of San Diego and of the Irrigation District and the Cuyamaca Water Company consider the following plan, sincerely believing that the solu-

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tion presented is economical, sound and thoroughly practicable and will be mutually satisfactory and fair to all concerned:

SUGGESTED PLAN

The plan as proposed contemplates

- (1) That the Irrigation District acquire the properties of the Cuyamaca Water Company under the present option, modified as set forth in the attached memorandum of proposed agreement.
- (2) That by agreement the District assign to the City of San Diego all water rights in the San Diego River to be acquired and now owned.
- (3) That the Cuyamaca Water Company, Ed Fletcher and Charles F. Stern relinquish all hunting and fishing rights on Cuyamaca Lake and El Capitan Reservoir, and give an easement to lands around said lake and reservoir owned by them sufficient for sanitary protection.
- (4) The District should sell to the City at cost of acquisition the El Capitan Dam Site and the Mission Gorge Dam Site No. 3.
- (5) The District should lease to the City of San Diego, for a proper consideration, for a period of forty years, the entire water production, storage and transmission facilities of the Cuyamaca system which it takes over, and in return the District should receive a binding contract from the City whereby it agrees to sell to the District at a fair price all water required for its present needs and its reasonable future development.

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(6) The City should agree to pay such rental for the properties leased as will pay interest and sinking fund requirements thereon.

(7) The Cuyamaca Water Company should agree to sell and the City agree to purchase or lease the distribution system of the Cuyamaca Water Company now serving that territory known as Kensington Park, Teralta and Normal Heights.

The above proposal contemplates the abandonment by the District of the proposed Fletcher Dam and transmission system and the retention by Messrs. Stern and Fletcher of the land therein proposed to be transferred, and the retention by the District of the present distribution system of the Cuyamaca Water Company now serving consumers in and in the vicinity of the District.

By following out the above plan, the City will immediately obtain control of the water rights and storage sites on the San Diego River and be in a position to undertake immediately the construction of the El Capitan Dam for which bonds have already been voted, and can fully develop the entire San Diego water supply without the otherwise prolonged delay through inevitable litigation. At the same time the District will be assured immediately an adequate supply of water and will also be relieved of the heavy financial burden entailed through the construction of its own impounding dams and transmission lines.

The advantages of such an arrangement are many. The elimination of duplication in water development on the San Diego River will result in great economies both to the City and the

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District in financial outlay for construction, maintenance and operation.

ADVANTAGES TO THE CITY OF SAN DIEGO

The City will secure, without further litigation so far as the Irrigation District and the Cuyamaca Water Company and its owners are concerned, title, ownership and complete control to all the waters of the San Diego River.

It will acquire at cost to the District the El Capitan Dam Site and the District's option to purchase Mission Gorge Dam Site No. 3. This will enable the City to proceed immediately with the construction of El Capitan Dam.

Approximately \$500,000 will be saved by eliminating the necessity for the construction of the proposed conduit from El Capitan to the City.

\$12,000 per year in pumping charges in East San Diego will no longer be necessary.

Approximately \$400,000 worth of water, representing two billion gallons of impounded water in Murray Reservoir, will be turned over without cost to the City.

The City will obtain the use and control of Murray Dam and Reservoir, which has an estimated value to the City of at least \$500,000. This will assure a gravity service pressure of 50 to 60 pounds in East San Diego, Normal Heights and Kensington Park.

The expenditure of \$30,000 per year for the purchase of water from the Cuyamaca Water Company for East San Diego will

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The expenditure of \$30,000 per year for the purchase of water from the Cuyamaca Water Company for East San Diego will

be eliminated.

The income derived from the sale of water to the District, together with the savings in present pumping and purchased water charges, will practically pay for the cost of the lease. At the end of forty years the City will have the option to acquire the leased properties for amounts already paid as rental.

ADVANTAGES TO THE DISTRICT

An adequate supply of water at a fair price will be immediately assured for the present needs and future development of the District.

There will be no costly delay in securing this water and the price to be paid will be less than the first cost to the District under its own plans.

The District will be freed from the expenditure of a considerable sum of money through expensive litigation and will be relieved of the responsibility of maintaining the production and transmission facilities.

At least \$500,000 will be saved through abandonment of the construction of Fletcher Dam, and \$50,000 saved by eliminating the installation of the proposed El Monte Pumping Plant.

The rental derived from the City will pay the interest and sinking fund requirements of the leased property amounting to approximately \$860,000.

The District will receive \$100,000 for the El Capitan Dam Site, and will be able to sell to the City of San Diego a

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An adequate supply of water at a fair price will be immediately assured for the present needs and future development of the District.

There will be no costly delay in securing this water and the price to be paid will be less than the first cost to the District under its own plans.

The District will be freed from the expenditure of a considerable sum of money through expensive litigation and will be relieved of the responsibility of maintaining the production and transmission facilities.

At least \$500,000 will be saved through abandonment of the construction of Fletcher Dam, and \$50,000 saved by eliminating the installation of the proposed El Monte Pumping Plant.

The rental derived from the City will pay the interest and sinking fund requirements of the leased property amounting to approximately \$860,000.

The District will receive \$100,000 for the El Capitan Dam Site, and will be able to sell to the City of San Diego a

a fair and reasonable price its present tract of about 400 acres of flood land in El Cajon Valley.

The financial burden to be assessed against the lands within the District will be relieved to the extent of approximately \$1,500,000.

The complete control over the distribution of water within its boundaries will be retained by the District.

The plan presented above is in general terms only. The various details which in our opinion will be necessary for the proper consummation of such a proposal have been made the basis of a memorandum attached hereto. We urge your careful consideration of this proposal.

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MEMORANDUM

PROPOSED PLAN FOR

TRANSFER OF CUYAMACA WATER COMPANY TO LA MESA, LEMON GROVE AND SPRING VALLEY IRRIGATION DISTRICT, AND LEASE AND SALE OF CERTAIN PROPERTIES TO THE CITY OF SAN DIEGO

Set out below are certain terms and conditions which the Commission believes must be definitely agreed upon, at least in substance, to properly effect a fair and lasting settlement of the San Diego River water supply problems. It is understood that these proposals are to be considered more or less as a guide and subject to such revision as may be agreed upon for incorporation in a final form of agreement, provided such suggestions are adopted.

OK The Irrigation District should complete the purchase of the properties of the Cuyamaca Water Company according to the terms of the present option but subject to the following conditions:

OK 1. The District will lease to the City all water producing, transmitting and storage facilities and appurtenant rights of way, easements, rights and privileges to be acquired by it from the Cuyamaca Water Company, and in consideration therefor the City will assume the obligation to pay a rental sufficient to meet the interest and sinking fund requirements of the bonds of the District to the extent of the property involved. The City shall be given the option to purchase the properties so leased at the expiration of said lease, the amounts paid as rental, which are creditable to sinking fund requirements on the District's ~~bonds~~, to be considered as payments on the purchase price, which shall be cost to the District.

pay at anytime if possible city gets any credit for any amount above per
2. The District will assign to the City of San Diego all rights and water rights in the San Diego River, to be acquired by it from the Cuyamaca Water Company, and it and the Cuyamaca Water Company will consent to the entry of judgment against them in the case now pending in the Superior Court of San Diego County entitled City of San Diego vs. Cuyamaca Water Company et al., No. _____.

3. The District will transfer to the City all lands now owned by it or that it may hereafter acquire from the Cuyamaca Water Company in the El Capitan Dam and Reservoir Site with appurtenant rights for the sum of one hundred thousand dollars (\$100,000.).

MEMORANDUM

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3. The District will transfer to the City all lands now owned by it or that it may hereafter acquire from the Cuyamaca Water Company in the El Capitan Dam and Reservoir Site with appurtenant rights for the sum of one hundred thousand dollars (\$100,000.).

4. The City will sell to the Irrigation District water for irrigation purposes at the rate of six cents per thousand gallons and water for domestic purposes at the rate of sixteen cents per thousand gallons, as required, subject to the following conditions; That the maximum demand shall not exceed eight and one half million gallons daily at the end of a period of fifteen years, and that the maximum demand for the intervening years shall be as follows:

Maximum Requirements of District from City

Year	Maximum Demand	
	Average Gallons Daily	Annual Acre Feet
1925	3,300,000	3700
1926	3,300,000	3700
1927	4,000,000	4460
1928	4,500,000	5020
1929	5,000,000	5580
1930	5,500,000	6150
1931	5,800,000	6490
1932	6,100,000	6810
1933	6,400,000	7150
1934	6,700,000	7490
1935	7,000,000	7820
1936	7,300,000	8150
1937	7,600,000	8490
1938	7,900,000	8820
1939	8,200,000	9160
1940	8,500,000	9500

City furnish all demands

5. Arrangements will be agreed upon between the City and the District providing for the revision and adjustment of the rates set out above, to take care of any radical changes in economic conditions which cannot at present be foreseen but which may possibly render the rates set out above unjust as against either party.

6. The City will ~~take steps to~~ acquire by lease or purchase the distribution systems of Cuyamaca Water Company, now used in serving domestic water to the districts adjoining the City and known as Kensington Park, Teralta, and Normal Heights, at a price mutually agreeable or to be fixed by arbitration or by the State Rail road Commission, as conditions may warrant.

7. The District will exercise its option to purchase Mission Gorge Dam Site No. 3 for the sum of one hundred fifty thousand dollars (\$150,000) from Cuyamaca

*Went of Gort Foundry
C. Sandberg*

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*Went of Gort Foundry
C. Sandberg*

Water Company, and the City will purchase this dam site at the cost to the District.

8. The District will transfer to the City 400 acres, more or less, now owned by it in Mission Gorge Dam and Reservoir Site No. 3, together with all water rights appurtenant thereto, for a consideration to be determined by agreement or arbitration.

9. In consideration for the release of some 300, more or less, acres of land in the flooded area of the proposed Fletcher Reservoir, Ed Fletcher, Charles F. Stern and/or the Cuyamaca Water Company will relinquish all hunting and fishing privileges which they may now possess on Cuyamaca Lake or in connection with the proposed El Capitan Reservoir, and in addition Ed Fletcher, Charles F. Stern and/or Cuyamaca Water Company will grant an easement of one hundred foot horizontal strip of land above the high water contour of Cuyamaca Lake and El Capitan Reservoir, on lands owned by them or it, as the case may be. The City will keep these lands open to the public for hunting and fishing purposes, under reasonable and non-discriminatory regulations, and will also grant to Ed Fletcher and Charles F. Stern the free right of ingress to and egress from the land owned or controlled by them in or bordering upon Cuyamaca Lake or any future flooded area at El Capitan Site.

10. The area of the Irrigation District shall be definitely determined upon, not to exceed a maximum of 18,000 acres, and any area that is annexed by the City shall be deducted from the area of the District, and the water requirements of the District shall be reduced proportionately.

11. In periods of water shortage, curtailment of water use in the District and in the City shall be made in the same percentage, curtailment of water use within the District to be dependent upon action by the City actually curtailing ~~total~~ use within its limits.

12. All present consumers of water of the Cuyamaca Water Company shall be provided with water service either by the City ~~or~~ the District.

within the district

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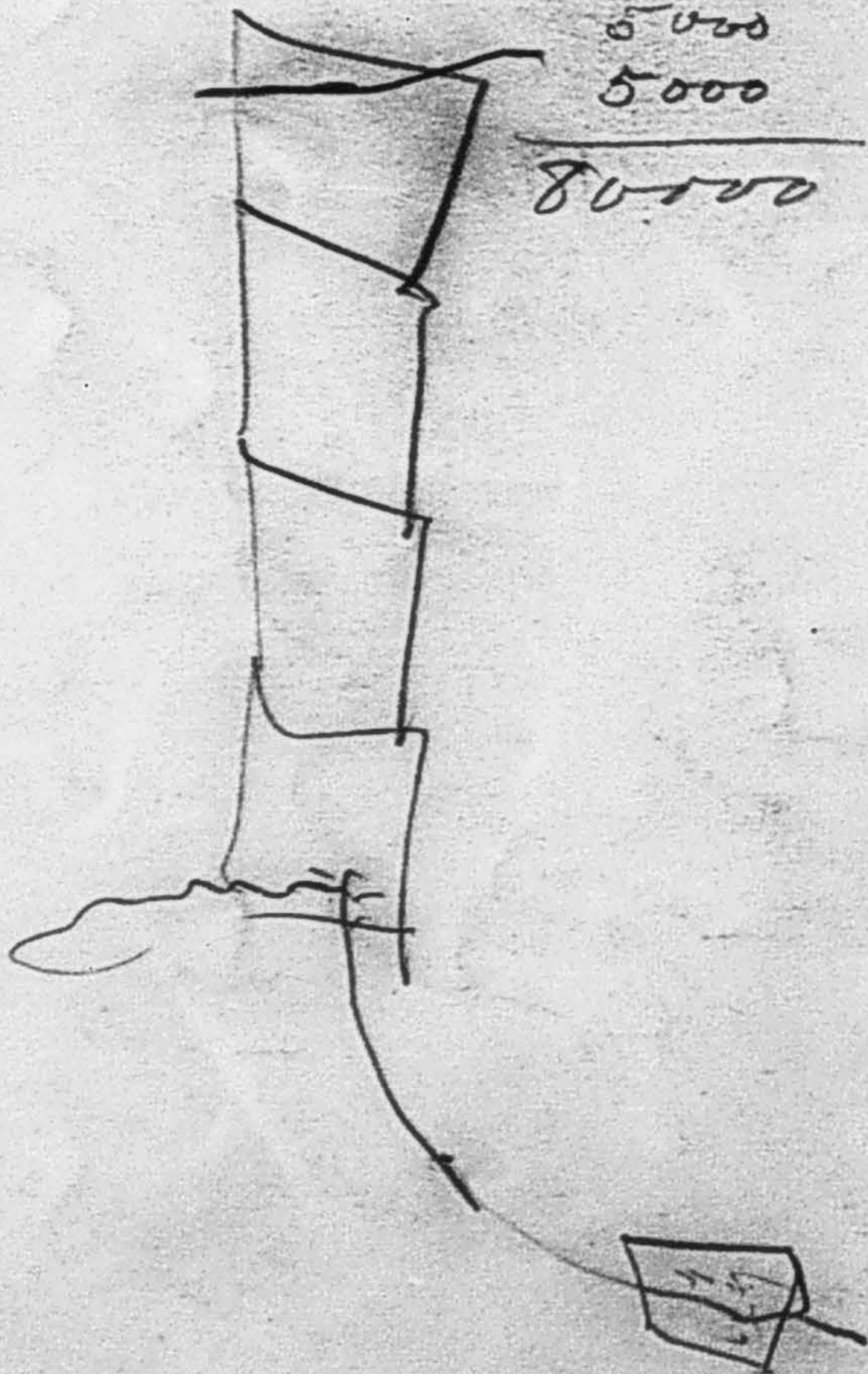
within the district

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martin
Brundage says in
telegram sent
Brundage asked - all
to say
called in by Brundage
Kenslow

5000 Escondido
13000 Vista
4000 own
3000

25000

30000

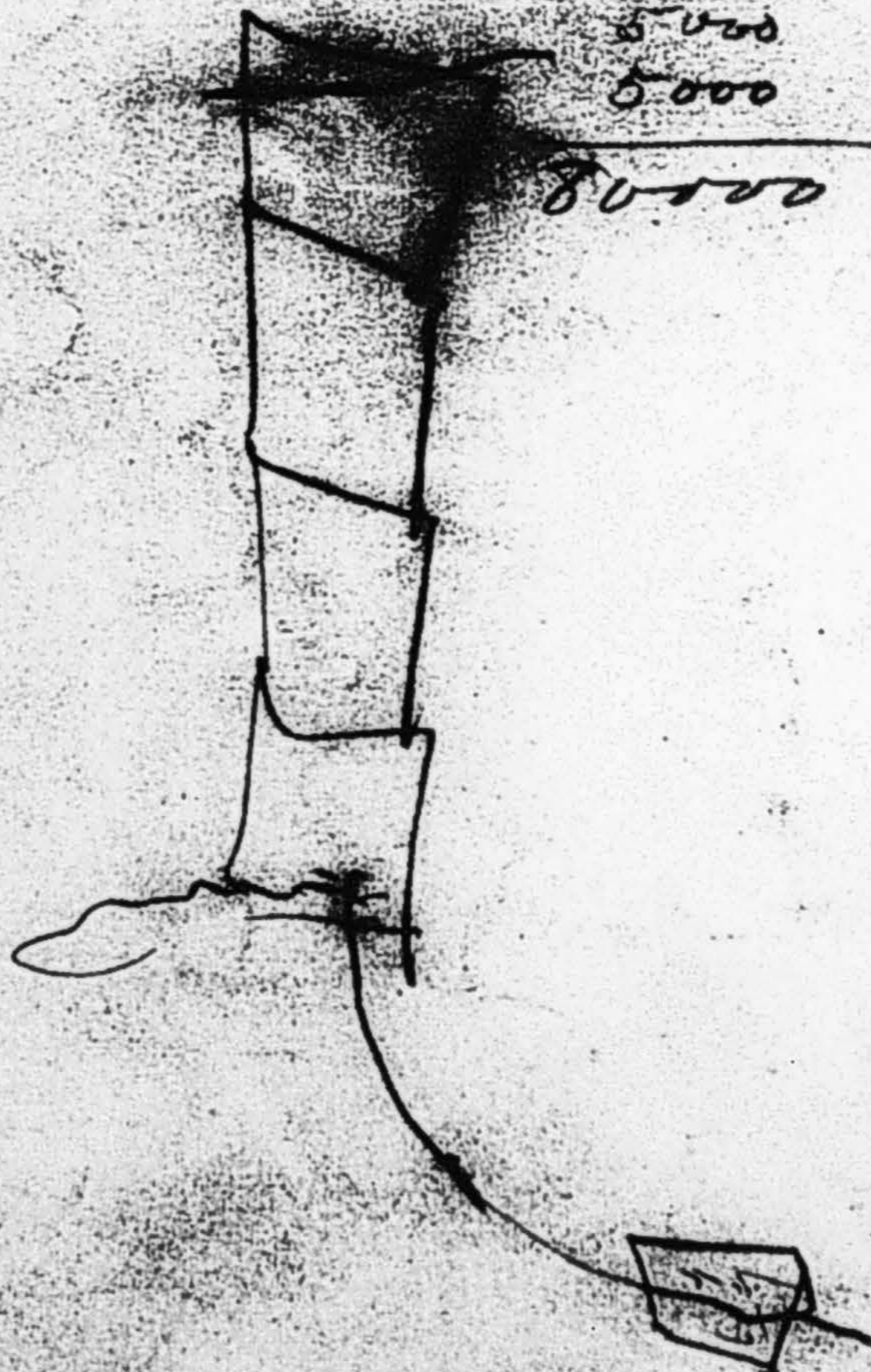
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5000 Escondido
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4000 own
3000

25000

30000

Southland
50000

~~CONFIDENTIAL~~

The undersigned hereby constitute a citizens' committee of fifty, the purpose of said organization being to immediately circulate an initiative petition calling an election to ratify the plan of settlement of the water question between the City, the La Mesa District and the Cuyamaca Water Company as outlined by the State Railroad Commission of California and agreed to by the representatives of the City, the District and the Water Company at San Francisco in February, 1925.

W. Morrison
A. Johnson
C. W. Kersting
M. D. Gilmore
O. Darnall
E. Strahlmann
F. M. White
Samuel Fox
P. H. Rourke
W. H. Wheeler

Jack T. Wilson
Geo. B. Bach
Wm. Kettner
Dr. H. B. Barel
Liquid Rogers
J. O. Thompson
Chas. Sprick
Carl Heilbron
Wm. G. Keller
J. A. Tapp
John Sullivan
John J. Bailey
Amie Kelly
George W. Norton
A. E. Scott
Edward Luce
S. M. Dingham
W. J. Rabon
E. B. Jones
E. Howell

J. W. Sefton
~~*J. W. Sefton*~~
Wm. R. Morrison
Ch. Stohwasser
~~*Sanchez Realty Co.*~~
~~*W. H. Wood*~~
Howard J. Worth
M. S. Bridges
Dr. H. C. Darnall

[Handwritten mark]

HISTORY

April 13, 1925.

Mr. Claus Spreckels,
Union Building,
San Diego, California.

My dear Claus:

Enclosed find editorial on the front page of the Sun that is explanatory. I told Mr. Edwards what you had said, and he welcomed your attitude and went to the bat immediately.

I would appreciate it if you would have the Union and Tribune write an editorial along similar lines immediately, for I believe now is the vital point in our water plans.

Yours very truly,

EF:KLM

FURTHER CONFERENCES HELD HERE TO SETTLE WATER PLAN DETAILS

Further conferences between representatives of the La Mesa Irrigation district, the Cuyamaca Water company and the city of San Diego, pertaining to the water compromise plan, were held this morning at Mayor John L. Bacon's office in the city hall.

The purpose, it was stated, was to go carefully into every detail of

the contract between the irrigation district and the city, in order to reach an amicable understanding between all parties concerned before the document is given final approval for ratification by the people.

That any real difference of opinion on any important point at issue (Continued on Page Six)

50 CITIZENS START ACTION ON EL CAPITAN

Circulate Petitions to Ratify Settlement On Cuyamaca Purchase by San Diego

Fifty San Diego citizens today were starting circulation of initiative petitions to call a special election to ratify the agreement for purchase of the Cuyamaca water system by the city.

The letter of the state railroad commission to the mayor and council yesterday, urging that the water question be settled at an early date is credited with stirring the business men to action on the election, since council has failed to make a definite move.

The initiative petitions have already been printed and the necessary signatures will be secured this coming week, those in charge said.

THE AGREEMENT

The committee's agreement follows:

"The undersigned hereby constitute a citizens' committee of 50, the purpose of said organization being to immediately circulate an initiative petition calling an election to ratify the plan of settlement of the water question between the city, the La Mesa district and the Cuyamaca Water Co., as outlined by the state railroad commission of California and agreed to by representatives of the city, the district and the water company at San Francisco in February, 1925.

G. A. Davidson, A. P. Johnson, Jr., M. T. Gilmore, O. E. Darnall, E. Strahlmann, F. M. White, Samuel F. Fox, P. F. O'Rourke, Wm. R. Wheeler, J. W. Sefton, Norman R. Morrison, C. S. Holz-wasser, W. S. Dorland, Howard F. Worth, A. S. Bridges, H. C. Oatman, Jack T. Millan, Geo. J. Bach, C. W. Ernsting.

William Kettner, Frank A. Salmons, Dr. H. B. Bard, Lincoln Royers, J. C. Thompson, Claus Spreckels, Carl Helfbron, Mat. F. Heller, F. A. Frye, Jerry Sullivan, Wheeler J. Bailey, Curtis Hillyer, George W. Marston, A. E. Scott, Edgar A. Luce, S. M. Bingham, W. F. Raber, E. B. Gould, E. H. Dowell.

FURTHER PARLEYS ON WATER HERE

From Page 1

no longer exists, was the word given out this morning. The agreement is to be suitable to the tri-cornered partnership in the deal, it was stated by the attorneys. All points were gone over quite carefully yesterday afternoon. Today's conference was begun following action of the La Mesa irrigation district in asking for such a conference.

The contract in its finished form is to be taken up by the council in adjourned session at 10 o'clock tomorrow morning. An attorney from Los Angeles took part in today's conferences. He came to represent Charles E. Stern, an associate partner in control of the Cuyamaca Water company, it was stated.

One of the differences freely discussed yesterday, according to City Attorney Higgins, involved the distribution of water to the irrigation district consumers. Final agreement was reached that the district is to consume enough water in a period of one year to pay to the city of San Diego the amount required to meet the interest and retire the bonds the city is to take over.

Irrigation district directors argued that there are months of the year when less water is used than in other months. To make the consumers pay for more water than they get was objected to, whereupon, it was agreed that the water cost could be pro-rated until the entire amount due the city is provided for, according to Higgins.

DIFFERENCES IN CONTRACT IRONED OUT IN CONFERENCE

City's Representatives at Impromptu Gathering Evince Willingness to Concede Points Raised by La Mesa District; Final Draft to Be Made at Meeting Tomorrow.

Long strides toward obtaining a water compromise contract satisfactory to La Mesa, Lemon Grove and Spring Valley Irrigation district were taken at an informal conference in the city attorney's office yesterday when virtually all the important objections raised by the district to the contract drawn by City Attorney S. J. Higgins were practically settled as far as those present are concerned.

Because of the impromptu nature of the conference no final decision was reached, but it was agreed that another meeting would be held tomorrow morning at which the contract will be dealt with again and sections objected to by the district reframed to suit both the city attorney and district representatives.

The conference at the city hall followed one earlier in the day at the office of Frederic W. Stearns, district counsel. At this earlier conference, H. A. Hall, representing the district, dictated a letter to the council asking for an early meeting at which the contract could be discussed. This request was delivered to the city clerk yesterday, but as no council meeting was held no action was taken. It is considered likely, however, that the council, district directors and attorneys for both parties, as well as counsel for the Cuyamaca company, will attend the conference arranged for tomorrow morning at 10 o'clock.

At the conference in the city hall yesterday, Attorney Stearns represented the district, while the city was represented by the mayor, city attorney and city manager.

Attorneys for the Cuyamaca Water company also were present.

The main objections of the district were brought up by Stearns. The first of these, relating to the minimum monthly price to be paid by the district to the city for water, was discussed, and it was agreed that this point easily could be settled as it was written into the contract through a misunderstanding. Another important objection relating to a guarantee that the city would not drain Murray lake and thus deprive the district of one of its main water sources was discussed, and it was brought out that the city had no such intention and would be willing to incorporate such a guarantee into the contract.

A number of other differences were discussed and agreement reached on them.

Stearns for the district and S. J. Higgins for the city said they are determined that no injustice shall be worked on either the city or the district if it is possible to prevent such a contingency, so the meeting for tomorrow was arranged.

April
Johnson
1924

ties of the Extension Division among those who are interested and appreciative.

Yours very sincerely,

LOLA J. SIMPSON,
Editor, Extension Division.



THE ACID TEST Upon Life Insurance Companies re-1918 Influenza Epidemic

The Guaranty Fund Life Association stresses the importance of its "Factor of Safety" Clause in all its Policies, so that the Association *never dreads* the results of an Epidemic or any so-called "Act of God" interfering with its Solvency. The severest *real test* upon Insurance Companies for 164 years was the 1918 Influenza Epidemic.

That year the Guarantee Fund Life Association was one of the *very few Companies that increased its Surplus Fund*. A large proportion of Old Line Participating Companies either suspended dividends or reduced them that year. Was not this in fact an *indirect Assessment of their Policy-holders?*

The following paragraphs are taken from an article in an "Old Line" Insurance Journal exhibiting its results as far as Old Line Companies were concerned:

"A FEW THAT NEVER FURLED A REEF"

"There were a few companies that sailed over the turbulent seas of this period without taking a single reef. They plowed through the heavy weather with all sails set, though there was some strain on their top-sails and spankers.

"Perhaps some special recognition should be given those *few companies* which found themselves able to maintain *their former dividend schedules* through the devastating influenza epidemic, which made, perhaps, really the heaviest drain on surplus funds. The list is brief."

The Guarantee Fund Life Association, one of the "New Line" Modernized Legal Reserve Companies not only did not have to exercise its "Factor of Safety" Clause, but on the contrary *materially* added to its Surplus Fund, thus *proving the adequacy of its rates*, which are much lower for Ordinary Life Insurance, because it offers Pure Protection (like fire insurance) *free from all investment features*.

CIRCULARS AND RATES BY APPLYING TO

Chas. Liftchild

501-2 Southern Title Building,
San Diego, California.

STOP! PATRONIZE OUR ADVERTISERS.

LET'S HAVE LOTS MORE OF THEM

We are pleased to welcome the following new members who have joined the American Institute of Banking since December 1, 1924:

Norman Morrison, Southern Trust & Commerce Bank.

G. A. Davidson, Southern Trust & Commerce Bank.

J. L. Rice, First National Bank.

J. Bassinger, San Diego Trust & Savings Bank.

H. W. Sutton, San Diego Trust & Savings Bank.

S. Richards, First Trust & Savings Bank.

Jack Strawn, First Trust & Savings Bank, 30th and University Branch.

Fred Johnson, Bank of Italy.

W. L. Mead, United States National Bank.

E. M. McAllen, Union National Bank.



THE PLEASURE WAS ALL OURS

Under the date of March 17th, we were favored with a letter from Mr. Charles B. Wincote, in which he acknowledged the nice things said in the February issue of The Banker and also assures us that he is pleased to carry his ad. in our columns because he feels "that it is an exceptionally good medium."

There is nothing we prize more than the good will of our business friends and they may rest assured that it is our honest endeavor to work in harmony with them at all times for the "greater San Diego."

Mr. Wincote is district representative of the Mutual Benefit Life Insurance Co., of Newark, New Jersey.



EL CAPITAN—SOON!

By E. H. Dougherty.

Sometime during the next sixty days there will be submitted for the approval of the voters of San Diego another step in furtherance of El Capitan. Five months have passed since the bond issue was authorized, and no doubt many of us feel that it is time something was done about it.

The proposition upon which we are going to vote is a compromise proposed by the State Railroad Commission. It was felt that if the question of paramount rights on the San Diego River were to be fought out in the courts, as originally intended, the building of the dam might be delayed many years. To avoid this a plan is proposed by which both the City of San Diego and the La Mesa and Lemon Grove Irrigation District make certain concessions in order to jointly make use of the water and secure its early development.

While the plan as it will appear on the ballot is not available at the present time, the essential points are believed to be as follows:

The Irrigation District will purchase the properties of the Cuyamaca Water Company, according to the terms of the option it now holds.

THE SAN DIEGO BANKER

The District will lease this property to the city and in return therefor the city will pay a rental sufficient to meet the interest and sinking fund requirements, that is, the interest on the bonds issued by the District for the purpose of purchasing these properties, and also enough additional to retire the amount of the bonds (about \$860,000) in 40 years. At the expiration of the lease the city will have the option of purchasing the property and in that event the amounts paid as rental which have been credited to the sinking fund will apply on the purchase price. The purchase price shall be cost to the District.

The District will assign to the City of San Diego all water rights in the San Diego River which it shall acquire from the Cuyamaca Water Company. Both the District and the Cuyamaca Water Company will consent to have judgment entered against them in the case now pending in the Superior Court of San Diego County.

In the event the City of San Diego does not within two years begin construction of the El Capitan Dam or is unable to furnish from other sources the quantity of water required by the District, the District may construct a dam upon the San Diego River which dam will be taken over by the city and its cost added to the purchase price of the system.

The District will transfer to the city all land now owned by it or that it may acquire from the Cuyamaca Water Company in the El Capitan reservoir site, with all appurtenant rights, for \$100,000.

The city will sell to the District, water for irrigation at six cents per 1000 gallons and for domestic purposes at sixteen cents per 1000 gallons. The area of the District shall be definitely decided on not to exceed 18,000 acres and any area annexed by the city shall be deducted from the District and the water requirements of the District reduced proportionately.

The rates set out above will be subject to revision by mutual agreement.

The city will acquire by lease or purchase the distribution systems of the Cuyamaca Water Company now used for serving Kensington Park, Teralta and Normal Heights.

The District will purchase Mission Gorge dam site No. 3 for \$125,000 and sell it to the city for the same price. The District will transfer to the city 400 acres of land in this dam site for \$80,000.

In periods of water shortage curtailment of water use in the city and in the district shall be on the same percentage.

There are two or three points not mentioned in the foregoing which the voter will do well to demand definite information on before casting his vote.

The first and most important is: Just how much water in millions of gallons per day, will the Irrigation District require? It will be recalled that during the recent bond election campaign figures were cited showing that the demands of the Irrigation District would consume nearly all of the capacity of the El Capitan Dam, even when fully developed. The first stage of El Capitan (which will use all of the \$4,500,000 voted last November) will yield about five million gallons per day. It is hardly to be expected that the voters of San Diego will consent to the spending of this amount of money only to have the resultant water turned over to outside parties.

The rates which the consumer should pay for the water should be equitably fixed. The domestic users within the city should not be unduly taxed in order to furnish cheap water for irrigation.

The necessity for purchasing Mission Gorge dam site No. 3 should be more fully investigated. It is thought in some quarters that the bond election in which the El Capitan Bonds carried by a majority of three to one were a sufficient repudiation of this site. However, there may be some valid reason for obtaining possession of the land.



OUR WHO'S WHO COLUMN

We are glad to call attention to the fact that one of our good friends and supporters, Mr. Jack Kleaver, through his advertisement, has moved to his new location—528 E Street. When you are passing drop in and get acquainted.

We point with pride to a new name on our contributing editor list—Ina B. Taylor, of the University Avenue Bank. We are mighty glad to have the friends in that good bank represented in our columns. Keep up the good work, Ina.

We acknowledge with pleasure our debt to Mr. Clifford P. Feathers of the Earl C. Anthony Company of San Francisco, for his thoughtfulness in sending us

ACTUARIAL SERVICE TO POLICY-HOLDERS

I have analyzed and corrected over
\$6,000,000.00
of LIFE insurance in Los Angeles City alone.

I have shown over
\$800,000.00
of refundable excess cost in policies

I have reduced premium cost, over
\$200,000.00

No matter what company, policy amount or how many years your policy has been in force—YOU can be benefitted without jeopardizing in anyway, YOUR insurance estate

ALF. C. LeBARON
Analyst

1930½ Oak Street Los Angeles ATLantic 6267
Explanatory Circular mailed upon request

Attach copy of my telegram to McClure.

two meetings at San Diego Hotel yesterday - Mr. McClure, Rhodes and Mayor Bacon at two-o'clock and at three o'clock meeting with three councilmen who would not go into conference with Mayor Bacon.

Attached find this morning's Union article

1525

Form 1206 A

CLASS OF SERVICE DESIRED	
TELEGRAM	<input type="checkbox"/>
DAY LETTER	<input type="checkbox"/>
NIGHT MESSAGE	<input type="checkbox"/>
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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

NO.	CASH OR CHG.
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TIME FILED	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

water history

May 16, 1925.

Mr. W. F. McClure, State Eng.,
1037-47th Street,
Sacramento, Cal.

Vital you come here earliest possible moment Prospects good for
compromise Please wire probable date your arrival here

Ed Fletcher

Chg. Ed Fletcher Co.

original
in
vault

THE SAN DIEGO UNION: THURSDAY MORNING, MAY 21, 1929

FUNDS

COMPROMISE PLAN STILL DISCUSSED

Mayor Bacon and City Manager Rhodes Confer With State Engineer on Water

Believing, he says, that some sort of a compromise plan still can be effected between the city and the La Mesa irrigation district, Mayor Bacon yesterday called on State Engineer W. F. McClure at the San Diego hotel, and urged some arrangement through which the district could take less water than originally specified by the state engineering department.

McClure, who has fixed 9,000,000 gallons a day as the least the district could get along on, causing the city to call all bets off, said he would consider the mayor's suggestion.

The mayor, took City Manager Rhodes with him to call on McClure, but none of the councilmen was called in. Rhodes explained to McClure his plan to give the district one-third of the river water on a graduate scale as the city develops it. McClure said Rhodes' plan was interesting.

A majority of the councilmen have decided that many changes must be made in the proposed

"compromise plan" if the city is going to enter into further negotiations.

Ed 7. suggestion of final compromise

That the La Mesa Irrigation District get all the water it can develop from the Guyanaca System, as at present constituted, any surplus going to the city.

That El Capitan dam be built to a height of 150 feet at the earliest possible date, and completed, say within 3 or 4 years.

That thereafter the district get a minimum of six million gallons a day, if needed by the district, and a maximum of one-third of the entire development of water on the San Diego River and tributaries, when completely developed.

File History

C O P Y

WESTERN UNION TELEGRAM

Sacramento, Calif., June 4, 1925.

Hon. John L. Bacon,
Mayor, City Hall,
San Diego, Cal.

Do you know of any reason why the State Railroad Commission may not now render a decision on the application of the Cuyamaca Water Company to sell its property to the La Mesa, Lemon Grove and Spring Valley Irrigation District?

W. F. McClure,

State Engineer

COPY

WESTERN UNION TELEGRAM.

San Diego, Calif. 1210P June 4, 1925.

W. F. McClure,

State Engineer, Sacramento, Calif.

Replying your telegram City has filed official objection. Believe pending litigation or agreement should be first settled. Personally believe irrigation district nothing to gain or City little to lose if application approved now.

John E. Bacon.

May 20th. [1925] *am*

See four page letter to C. F. Stern, dated April 10th, 1925 for History.

Re: ride with Paul Edwards managing editor of the Sun and Treanor's activities in trying to sell Lake Hodges System to the city.

Because of the coming of state engineer McClure, the council are planning to go to Los Angeles this afternoon - an insult to him.

Weitzel rang up to say that Rhodes does not want to go, that he thinks they ought to meet the state engineer, but none of these councilmen, Bruschi, Stewart or Weitzel, will meet the state engineer in the Mayor's office. They are not going to give him the glory of it. That they will be glad to meet the state engineer alone in his room at the hotel this afternoon. That Stewart, Bruschi and Weitzel will not go into the Mayor's office for any thing until the mayor apologizes to them. That Stewart and Held are trying to get them to go up to Los Angeles this afternoon and eliminate the state engineer.

SAN DIEGO RIVER AND THE PROPOSED COMPROMISE
BETWEEN THE CITY OF SAN DIEGO AND THE LA MESA,
LEMON GROVE AND SPRING VALLEY IRRIGATION DISTRICT.

(Talk before the University Club of San Diego, May 25, 1928)

Mr. Chairman and Gentlemen:

You have been kind enough to ask me to speak before the University Club of San Diego on an engineering problem which has more emotional appeal to residents of this community than even prohibition. In fact, because water and its development is almost a religion in San Diego - and a religion of many sects - I hesitate to suggest that as a community you have become obsessed with certain fallacies pertaining to the water resources of this region and the requirements for water of San Diego and the surrounding territory. Unfortunately, this includes men of prominence and technical ability such as the one whom I heard a few weeks ago expound dire prophecies of a water famine during the next ten years, which could not be avoided if all the dams in the world were built on the San Diego River. However, most men will agree with me that, were Shakespeare living in San Diego, he would have ample material for several plays entitled "Much Ado About Nothing".

It would be comedy, gentlemen, were it not tragedy, that the citizens of San Diego should have seized upon a few catch phrases from the splendid reports of Savage and Freeman without a true understanding of the meaning of these phrases. Almost all of the fears which have been expressed arise from a misconception of that magic phrase "net safe yield". These are three simple words, the meaning of any one of which is clearly set forth in any standard dictionary, but unfortunately their combination has a special meaning in Southern California.

When engineers speak of the available supply of water in Southern California they distinguish between "yield", "safe yield" and "net safe yield". Yield is generally considered to be the average amount of water which can

-2-

obtained and put to use over a long period of time; safe yield is the amount of water which is available during normal drouth periods; and net safe yield is that smaller quantity of water which could have been delivered continuously throughout the worst drouth of historical record.

For the moment let each one of you think of his own business and substitute the word "return" for the word "yield". You naturally consider the "return" from your business to be the average profit over a period of good times and bad times. Your conservative banker bases his accommodations on your "safe return" over a dull season, but would either you or your banker limit all future expansion of your business just because you made a very small profit one year out of ten? Surely not - industry is not organized on the basis of the minimum production which can be maintained at all times; merchandise is not stocked with only minimum sales in mind; no professional man restricts his scale of living to that which would correspond to his minimum income. Why then should you consider it necessary for San Diego to restrict its growth and development so that a full supply of water might be delivered to all users throughout a drouth as severe as any of historical record? When you hear the words "net safe yield" think of the worst period your business has ever experienced and consider further that neither the 78 year record of rainfall at San Diego, nor long time stream flow measurements, nor the size of annual growth rings of trees indicate any other drouth of the severity of that from 1893 to 1904.

Unsound statements as to the future growth of water consumption in the metropolitan district of San Diego has likewise created apprehension in the minds of the public. Actually, how fast will the population of San Diego increase, and how rapid will be the increase in inhabitants of the suburban areas such as the La Mesa, Lemon Grove and Spring Valley Irrigation District? Almost every loyal citizen of San Diego, or any other Southern California city, will insist that the growth of his city will average 10% per year. This value does not sound unreasonable unless

you stop to realize that if this rate were to continue for 50 years the population of San Diego would be approximately 17,000,000, which even the most optimistic will agree to be absurd. Some of the more conservative consider the average rate of increase to be 5% a year, but even this rate continued to the year 2000 would result in 5,000,000 people living in the City of San Diego.

It is clearly evident from the record of population growth in every part of the world that while the numerical increase in population may be large, the percentage rate of increase gradually drops off. You may feel that San Diego is an exception, but the actual records of water consumption in the City of San Diego show quite definitely that there has been such a falling off in the rate of increase. For example, during the years 1900 to 1905 the average rate of increase of water consumption was about 18% per year; from 1905 to 1910, 13%; from 1910 to 1915, 9%; from 1915 to 1920 about 7% and since 1920 the rate has dropped to about 5% increase per year. It is to be noted that this steady lessening in the rate of increase of water consumption took place even during the recent period of expansion.

The average consumption of water in the City of San Diego during 1927 was approximately 15,000,000 gallons daily, and no analysis which can be substantiated by past records, will show an average rate of water consumption in the City of San Diego of as much as 33,000,000 gallons daily before 1950 and probably not for 15 or 20 years still further in the future.

These two important points should be borne in mind: namely, that "net safe yield" applies only to the amount of water which could have been delivered continuously throughout the worst drought period of historical record, and second, that the rate of increase of water consumption of the City of San Diego has been steadily lessening and that the average daily use will not be more than 33,000,000 gallons daily, before 1950. With these facts in mind we can turn to the specific problem of the water supply of San Diego River and the proposed compromise between the City of San Diego and the La Mesa, Lemon Grove and Spring Valley Irrigation District.

The development of San Diego River has been retarded tremendously due to litigation pending over a great number of years. It is now limited to the Cuyamaca System and to pumping from wells along the river.

There are contemplated on San Diego River a number of storage reservoirs, most of which will ultimately be required in order that the metropolitan district of San Diego may obtain a sufficient water supply.

The District intended the construction of a storage dam above its present diversion dam. The District also owns part of the El Capitan damsite and controls certain lands along the river in that vicinity. The City of San Diego has planned on a dam at El Capitan, and in fact voted a large sum of bonds for that purpose. The City also planned, and it was recommended by Mr. Savage and by Mr. Freeman, that a dam be constructed at the head of Mission Gorge where it is possible ~~it is possible~~ to create the largest storage reservoir, although not the most efficient. The District also has acquired the right of purchase of another damsite in Mission Gorge.

It is generally conceded that the total net safe yield of San Diego River is 24,000,000 gallons daily, and further that during most years a materially greater yield will be possible, and even during all but the worst drouth of record the "safe yield" would have been much more than the "net safe yield".

The ultimate development of San Diego River will include a large reservoir in the canyon at El Capitan, or at some other site in the same general vicinity; one or more reservoirs on tributaries of San Diego River, such as the San Vicente reservoir, and at least one dam in Mission Gorge. Unfortunately, it is not possible at this time to express any opinion as to the proper capacities of these various reservoirs, or as to the order in which they should be constructed. This is a matter which will require a considerable amount of study of the runoff conditions and of the economic factors involved.

The reports of Mr. Savage and Mr. Freeman give most of the basic data

required for such a study, but neither in their reports, nor in any subsequent report, which I have seen, has any analysis been made to determine the economic capacities of the different reservoirs when it is considered that these reservoirs must be operated in conjunction with one another.

The specific problem before the citizens of San Diego pertaining to San Diego river is the proposed compromise between the La Mesa, Lemon Grove and Spring Valley Irrigation District and the City of San Diego. So much has been said regarding some phases of this compromise that it will be well to review the general features.

The compromise was based upon the principle that the City would pay the cost to the District of the properties to be taken over by the City. I believe that no one questions the accuracy of the figures which have been determined. The principal objection seems to be that the price is too much for what the City is receiving.

The District bought these properties from the Cuyamaca Water Company about two years ago. The basis of purchase was an appraisal made for the State Engineer, who as a member of the State Bond Certification Commission had to approve the purchase. The price paid by the District was approximately 82% of his appraised value of the system. In this appraisal not only was no value given the wooden flume, but a deduction of \$100,000 was made from the appraisal of the rest of the system on account of the fact that the flume had not been maintained as well as possible. While these negotiations were pending certain capital investments were made which were approved by the Bond Certification Commission. In the last two years and a half the District has expended in replacement of parts of the wooden flume, and upon other works, over \$200,000 from its bond fund, and over \$100,000 from its general fund. The total cost of all properties proposed to be taken over by the City amounts to \$1,415,167.80, of which \$1,079,036.32 is for operating properties, and \$336,131.28, is for non-operating properties.

The operating properties include all of the system used in the development and transmission of water, excepting the distribution system of the District, and

through the Cuyamaca System the City will receive a considerable amount of cheap water, estimated at 1100 M. G. per year, on the average. At the same time that the City is paying the District for operating properties to be taken over, the District will be paying the City for water at a price which includes interest and retirement, operation and maintenance of the same operating properties. Depending somewhat upon the rate of growth of the District, the District will pay to the City by the purchase of water approximately 70% of the total cost of the operating properties. In other words, the City of San Diego is actually only paying 30% of the cost of the operating properties. If the cost of these properties to the District is too high, this high cost is a charge to the District for water.

The non-operating properties include damsite on the upper San Diego river, and certain lands at El Capitan which were valued at \$600,000 a few years ago by the courts. There also is to be taken over as non-operating properties water bearing lands along the river, included in a tract of almost 400 acres lying within the proposed flooded area of Mission Gorge reservoir, which the City must eventually construct. Without question, some of the properties to be taken over by the City cost more than their worth to the City, but on the other hand, the City will acquire through this compromise a number of properties at a cost far below their value to the City, aside from any indirect benefit which may arise through cessation of legal controversy.

Further criticism of the proposed compromise has been based upon the City's lending its credit to re-build Cuyamaca Flume, although it is provided in the compromise that the District will turn over to the City \$500,000 in bonds which have been authorized but not sold. These bonds, in all certainty, can be sold by the City at a high premium. It is doubtful whether the city of San Diego will have to expend over \$300,000 more in order to rehabilitate the entire Cuyamaca system for the benefit of the City as well as of the District.

There have been some other specific objections to the proposed compromise, and the viewpoint of Major General Joseph E. Kuhn may properly be taken as representative of those who desire an end to controversy. Please do not mis-

understand my attitude when I refer to his reports and comments, because I hold him in high regard. I wish merely to explain the questions he raises and to point out that he has very largely answered his own objections.

It has been stated that the rates at which water will be sold to the District are too generous.

General Kuhn, in his report of April 2n, 1928 on the proposed compromise as originally set forth, stated in part: "While there are many uncertain factors affecting the financial results, I am lead to the conclusion that the City may expect to come out at least even under the proposed terms for the sale of water to the La Mesa District at rates of 4 and 5 cents, so long as such water is limited to that which the present system will provide".

The Special Committee, of which I was a member, upon analyzing the costs of operating, decided that the City could not furnish water at the prices which General Kuhn considered reasonably safe. The price of 5 cents was to take effect in three years, by which time the flume was assumed to be re-built. We found that, after the flume was reconstructed, the base rate to the District would have to be increased from 4.4 cents to slightly in excess of 6 cents per 1000 gallons, to which must be added a sur-charge of 5/9¢ per 1000 gallons for all water pumped into the flume. In other words, although General Kuhn at that time thought that 5¢ would be a safe rate for water from the Cuyamaca System, it was the opinion of the Committee that an average rate of about 7.5¢ would have to be charged in order to protect the City. The Committee can hardly be said to have been generous to the District, when it raised the average cost to the District by \$150 per day for the 6 m. g. d. set forth in the original compromise proposal.

The cost of all other water to the District would be the same as the cost of delivering water into the City's distributing reservoirs in the year in which delivery is made to the District. If this cost is 15¢ or 20¢ per 1000 gallons, then the District will have to pay 15¢ or 20¢ per 1000 gallons for all water which cannot be delivered by gravity to the Cuyamaca Flume or pumped from El Monte, or its

equivalent.

In a recent letter from Gen. Kuhn he stated to me "Frankly, my main, practically only, objection is the ultimate amount of water called for by the District". In the few minutes remaining to me I wish to clear up the doubt which exists concerning this ultimate requirement of the District.

Earlier in my talk I explained why the City of San Diego would not, in all probability, use more than 33 m.g.d. on the average before 1950. According to the terms of a supplemental agreement reached between the Special Committee and representatives of the District, the District will not demand in any year in excess of 50% of the actual consumption of the City of San Diego in the same year. In other words, probably not until 1950, and more likely not for some year later, will the District be entitled to as much as 10 m.g.d. on the average. Furthermore, when we consider the probable increase of water consumption of the District, we find that its rate of increase of water use from 1911 to 1927 was much slower than the rate of increase of the City. A rational study of the relative rates of growth shows quite clearly that the District will not require as much as an average of 10 m.g.d. for 40 years, and possibly more.

The record of the flow of San Diego River from 1901 to 1925, inclusive, shows that over a typical period of years the City will never have to draw upon any reservoirs but Cuyamaca and Murray in order to supply the needs of the District. The City will have to draw upon Murray Reservoir in many summers to supply part of the District, but there will be sufficient runoff in the following winters to replace the amounts thus drawn out. The statement has been made that the District cannot be supplied from Murray Reservoir. The District, however, is willing to accept delivery at this point.

Practically all of the objections which have been raised to the proposed compromise between the City and the District have been based upon the assumption that the District would use 10 m.g.d. on the average throughout a period of drouth as severe as the worst drouth of historical record in San Diego, and probably greater than any

other drouth in the last 100 years.

During the worst years of a drouth equal to that abnormal drouth there would have been available to the District an average of less than 500 M. G. per year of gravity water. The pumping plant at El Monte would necessarily be operated at full capacity to the limit of the water supply in these gravels. This amount would average about 800 M. G. per year. All other water would cost the District in such years at least 15¢ per 1000 gallons, or an average cost of at least 12¢ per 1000 gallons, to which would have to be added very heavy charges for pumping water back from Murray Reservoir through the distribution system of the District. The cost to the water users in the District would be in excess of 20¢ per 1000 gallons, and probably closer to 30¢ per 1000 gallons, equivalent to \$1,000,000 per year, if they were to use the maximum allotment. It should be obvious to any reasonable person that irrigation use would be curtailed if not almost eliminated in such a contingency, and that even domestic use, involving irrigating of lawns and gardens would be restricted. General Kuhn certainly agrees that such would be the case, because he has stated, "One fact however will operate automatically to prevent the District from using El Capitan water, and that is the price. The cost of producing water at El Capitan will not be less than 20¢ per 1000 gallons, and this is a prohibitive price for irrigation".

In summary, therefore, I wish to leave with you the property conception of the effect of the proposed compromise between the City and the District.

First: Net safe yield applies only to the supply of water available in the worst drouth of historical record.

Second: Such a drouth is an improbability which must be considered in a determination of water supply but which should not be assumed as repeating every few years.

Third: In event of the improbable recurrence of such a drouth, curtailment of use particularly for irrigation would not only be justifiable but would take place automatically.

Fourth: The increase of use of water in San Diego and the surrounding territory is not being maintained at the high rate which some have considered, and there is every evidence that the City of San Diego will not use until 1950 as much as 55 m.g.d. of water, equivalent to 12 billion gallons per year.

Fifth: The District will not be entitled to its maximum allotment of 10 m.g.d. until 1950.

Sixth: It is very unlikely that the District will ever call upon the City for as much as 50% of the City's consumption, and economic conditions will automatically prevent the District from taking its full allotment of water in a period of severe drouth.

Seventh: The price to be paid by the City for the properties is the actual cost of these properties to the District, and these costs were based upon 82% of an appraisal by the State Engineer, to which were added subsequent expenditures, verified by certified public accountants.

Eighth: The rates to be charged for water are safe and include all interest, operation, and sinking fund charges, and allowance has been made for increased cost due to additional capital investment.

Ninth: By the purchase of water the District will repay the City about 70% of the capital cost of the operating properties, and the City will secure value received and more by the purchase of the non-operating properties.

Tenth: The City will obtain in most years a supply of relatively cheap water.

Eleventh: The La Mesa, Lemon Grove and Spring Valley Irrigation District is a part of the metropolitan area of the City of San Diego and in all probability long before the District might be entitled to an average of 10 m. g.d. a large part of the District will be within the City of San Diego.

Mr. Chairman and Gentlemen, were it not that so much has previously been said on some of these points, it would be unnecessary to discuss them here, but since they have been said, it is necessary to make "Much Ado about Nothing".

I thank you.
May 24, 1928

(Signed) R. A. Hill

H I S T O R Y

4-29-25

My conference last Wednesday, April 22d with Brundige after his asking me to come up. His approval of the initiative ~~approval~~ petitions.

Present were Fred Stearns, A. H. Hall, Smiley, Sanders, Ed Fletcher, Squires and Brundige.

Brundige wrote the letters in our presence ~~and~~ to the city council, asking them to get busy, and to the Cuyamaca Company asking for an extension of the option until the 15th of June, and to the district likewise.

He read the private telegram from Claus Spreckels urging the Railroad Commission to send a telegram to the city council and tell them to either get busy or he would take action, proving Claus Spreckels sincerity.

How Sanders wanted to mandamus the Railroad Commission. Stearns refused to go to the meeting in Los Angeles without the option already extended but eventually did go.

Brundige's statement there is a big fight on between MacMullen and Claus Spreckels, a regular madhouse.

E.F.

H I S T O R Y

The foreman of the grand jury and Mr. Bencini asked me to meet them at the Southern Trust & Commerce Bank this morning, June 1st, 1925.

(Copy)

SAN DIEGUITO IRRIGATION DISTRICT

Cardiff-by-the-Sea, Calif.

June 6, 1925.

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

My dear Colonel:-

Complying with your request of the 4th instant, I am inclosing herewith copy of letter addressed to the California Bond Certification Commission with reference to the furnishing of water from Lake Hodges to the City of San Diego. In my conversation with Mr. McClure I understood it was simply for the sale of the water, but have since learned that San Diego was contemplating the purchase of the water system. I laid this matter before our Board at their last meeting, and they directed Judge Sloane to keep in touch with this situation, in order that our interests might be protected and it is the opinion of our Board that our interests would be better served by the Railroad Commission than the City of San Diego.

Thanking you for your interest in this matter,
I am

Very truly yours,

O. C. Jacobs
Secretary.

OCJ:LL
Incl.

Water History

SAN DIEGUITO IRRIGATION DISTRICT
Cardiff-by-the-Sea, California

(Copy)

May 22, 1925.

California Bond Certification Commission,
Merchants' National Bank Building,
San Francisco, California.

Gentlemen:-

We understand the City of San Diego is negotiating with the San Dieguito Water Company for the purchase of water from said Company, the water to be furnished from Lake Hodges.

Last year this District made application to the owners of Lake Hodges, the Santa Fe Land Improvement Company, for an additional supply of water, and we have advice from them that it would not be possible to give us an additional allotment, as all water had been disposed of.

This Board feels that the furnishing of water from Lake Hodges to the City of San Diego would seriously jeopardize our and other existing contracts now in force, with the owners of the lake Hodges, and we believe that your good offices should be brought to bear to prevent this action.

Very truly yours,

BOARD OF DIRECTORS OF
SAN DIEGUITO IRRIGATION DISTRICT,

By,

(Signed) O. C. Jacobs.
Secretary.

OCJ:LL

John D. Spreckels:

Did you not, two years ago this spring, take an active interest, publicly and advocate the purchase of the Cuyamaca System by the city? If I remember rightly, the price was originally \$1,500,000, was it not?

Did you, or did you not, have several conferences with the owners of the Cuyamaca System, Mr. Stern and Mr. Fletcher, and if the paper stated it correctly, did you not get them to reduce the price to \$1,400,000.

Did the owners of the Cuyamaca Water Company give an option to the city at that price.

Why did not the city buy the system at that time and exercise the option?

Have you ever heard directly, or indirectly, of any attempt on the part of any member of the city council to collect money, or demand payment in consideration of the city council ratifying the sale?

Did you ever have any conference with Mr. Stern and Mr. Fletcher at which time either one of them told you that Mr. Weitzel was demanding \$100,000 for himself and two other councilmen? Before they would ratify the sale of the Cuyamaca System to the district or call an election for that purpose. Was anyone else present?

What was your recommendation in case such a demand were made?

MR. JAMES MACMULLEN

Did you ever hear of any demand made on the owners of the Cuyamaca Company by any member of the city council for any sum of money in consideration of their voting to ratify the purchase of the Cuyamaca System by the city? Or to get formal action from them to submit the matter to the people?

Who told it to you? Where? When? What members of the city council were involved?

Mr. Chas. F. Stern, President Pacific Southwest Trust & Savings Bank, Los Angeles, California.

HISTORY

At yesterday's luncheon (4/29) was Bacon, Moody, Higgins and Weitzel, where they agreed to put the thing over on Monday. Higgins pledged Held, The mayor said Maire would vote all right and pledged his vote and Weitzel pledged Bruschi, the plan being to call the election on the original plan as promised the R. S. Commission

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	

Water Division

WESTERN UNION TELEGRAM

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

Form 1206 A

NO.	CASH OR CHG.
CHECK	
TIME FILED	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Sacramento, Calif., July 30, 1925

Board of Directors,
San Dieguito Irrigation District,
Encinitas, California

If the San Dieguito and Santa Fe Districts are apprehensive concerning possible treatment in future by the City of San Diego in event said city purchases the Lake Hodges System why not the two districts take immediate steps to condemn a water right from said system

W. F. McClure, State Engineer

CLASS OF SERVICE DESIRED	
TELEGRAM	
DAY LETTER	
NIGHT MESSAGE	
NIGHT LETTER	
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Form 1206 A

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Send the following message, subject to the terms on back hereof, which are hereby agreed to

San Francisco, Calif., July 30, 1925

O. C. Jacobs, Sec'y,
San Dieguito Irrigation District,
Encinitas, California

Mr. McClure will be in Southern part of state August 3d and will call on you

CALIFORNIA BOND CERTIFICATION COMMISSION

Dan S. Canny, Sec'y

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

Form 1206 A

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CHECK	
TIME FILED	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Encinitas, California July 29, 1925

DAN S CANNY, SEC'Y
California Bond Certification Commission,
Merchants National Bank Building,
San Francisco, California.

THE SAN DIEGUITO WATER COMPANY WITH WHOM WE HAVE WATER CONTRACT ARE NEGOTIATING FOR SALE OF LAKE HODGES TO CITY OF SAN DIEGO WHICH ACTION MIGHT JEOPARDIZE THE SECURITY OF OUR BONDS WE REQUEST AND URGE THAT THE COMMISSION SEND A REPRESENTATIVE TO MEET INFORMALLY WITH THE BOARD OF DIRECTORS OF SANTA FE AND IRRIGATION DISTRICT AND SAN DIEGUITO IRRIGATION DISTRICT AT OFFICE OF THE LATTER DISTRICT IN ENCINITAS TUESDAY AUGUST FOURTH AT FOUR P. M. QUICK ACTION NECESSARY PLEASE REPLY

SAN DIEGUITO IRRIGATION DISTRICT
By O. C. Jacobs, Sec'y

August 11, 1925.

Honorable John L. Bacon,
Mayor of the City of San Diego,
City Hall,
San Diego, California.

Dear Sir:

RE: Milton A. Smith Realty Co.
Inc., et al, vs. San Dieguito
Water Company.
Case No. 2059.

I enclose herewith certified copy of Notice of Pendency of Action in the above entitled proceeding, which was instituted October 24, 1924, and is now pending before the Railroad Commission.

The action was brought for the purpose of having the San Dieguito Water Company, a corporation, adjudged to be a public utility, subject to the regulation of the Railroad Commission of the State of California, and required to furnish water to said Complainants.

Very truly yours,

Clay Carpenter.

Attorney for Complainants.

Secretary

The Southwest Quarter (SW $\frac{1}{4}$) of the Northeast Quarter (NE $\frac{1}{4}$) of Section Eighteen (18), Township Thirteen (13) South, Range Two (2) West, S.B.M., except that portion thereof lying above an elevation of three hundred thirty (330) feet above sea-level according to the United States Geological Survey datum;

and all other property particularly described and set out in that certain deed dated July 1, 1924, from San Dieguito Mutual Water Company, a corporation, to San Dieguito Water Company, a corporation, which said deed was recorded August 5, 1924, in Book 1023, page 241 of Deeds, records of San Diego County, California.

Dated this 11th day of August, 1925.

Clay Carpenter

Attorney for Complainants.

8/18/25

H I S T O R Y

Claus Spreckels called on me this morning, August 18th that MacMullen has refused to sign and has talked John D. Spreckels around against this plan and is now in favor of San Dieguito and calling a bond election to transfer the El Capitan bonds to build San Dieguito, that he wants me to have a conference with him and Fred Rhodes this afternoon and lay out some other campaign, I have just telephoned to Rhodes. He tells me that the city will never allow anything to be done on the San Diego River until the Cuyamaca system is owned by the city.

H I S T O R Y

A week ago Monday July 27th, 1925, Frank Belcher came to me and told me of the meetings with the Mayor's committee, including Halley, Hall, Edwards, Hamloway, President of the Chamber of Commerce and himself, including Mayor Bacon. Mayor Bacon formed the committee. He told me how he went to Spreckels, got his consent to serve, how everything was progressing favorably when MacMullen put poison into Spreckels' ear and got him to give out that interview in favor of the San Dieguito District and advising 10 years' litigation on the San Diego River.

Belcher went on to tell how it put him in a hole, how it broke up in a row and that Hall had said they would fight to the finish. He came to me as a last resort asking me if I wanted the compromise put over and if so he would make one more attempt. That the only way ~~for~~ to put it over was for Belcher and me to agree on a plan, then Belcher would get in his people and I was to get in mine and get it approved ~~before~~ then he would go to San Francisco next Saturday or Sunday, Aug. 1st or 2d and get first the consent of Hannen, president of the J. D. & A. B. Spreckels corp. They would then get John D.'s approval and two of them would force MacMullen into line.

We then had two or three meetings, and on Saturday Aug. 1st, Belcher and I agreed. He went to San Francisco last Sunday morning by boat and got back last Tuesday and said he had won both Hannen and Spreckels over, and that he would call on his committee for their approval.

We have held 3 or 4 meetings this last week. A devil of a time we have had. I sent for state engineer McClure got him to be there to attend the La Mesa District meeting, switching back and forth until our ultimatum on ~~Friday~~, Belcher's ultimatum on ~~Thursday~~ and our final compromise at nine o'clock Thursday night. This is the result.

Attach copy of final draft;

Excelsior's Contest
Dispatch 8/7/25

Why We Should Own Our Water Supply

AUGUST, 3rd, 1925.

To the Board of Directors,
San Dieguito Irrigation District,
Santa Fe Irrigation District,
San Diego County, California.

Gentlemen:

The interests who are trying to sell the Lake Hodges System to the City of San Diego would have you believe that I am an obstructionist and working against the best interest of the district.

As I represent from ten to twenty percent of the ownership of all the lands within both districts, I feel that I have a right to make my protest, and then it is up to the districts themselves to take such action as they see fit.

Senator Wright would have you believe that under any sale made to the city, any contract made between the present water company and the district would amply protect you. My claim is that with the city owning and in possession of the system, they would not hesitate a moment to take the irrigation water away from us if there came a shortage of water in San Diego, irrespective of any contract, and all we would have would be a lawsuit. As a matter of law, the City of San Diego might be compelled ultimately to live up to its contracts but the damage has then been done, for the City of San Diego, within twenty-four hours could, and would, take our irrigating water for domestic needs, and all we would have would be a lawsuit and an attempt to get an injunction, whereas, under the present ownership or under the ownership by the irrigation districts no such condition could arise, and the city could only secure our irrigating water by itself referring to the courts, and showing a higher need for the water than that of the district.

Let's look at San Diego's water situation. Two years ago San Diego had 40 to 45 billion gallons in storage. By the 1st of December this year the storage will be reduced to approximately 22 billion gallons, with 30,000 additional acres furnished with domestic water.

We have an example of what San Diego could, and probably would do, in the action of the City of Los Angeles in taking the Owens Valley water. They pledged themselves to build reservoirs to take care of the water

By the 1st of December this year the storage will be reduced to approximately 35 billion gallons, with 20,000 additional people dependent on the supply of water during that period.

We have an example of what San Diego could, and probably would do, in the action of the City of Los Angeles in taking the Owens Valley water. They pledged themselves to build reservoirs to take care of the water supply and protect the rights of the Owens Valley. They never have built a reservoir and when the dry period came they took the water and the result is civil war in Owens Valley today.

No matter what Senator Wright says to the contrary, there is no reason why the two irrigation districts cannot vote bonds to the extent of \$500,000 and make the same payment to the water company that the city would make. The districts then would get the advantage of the reasonable terms of this contract and ultimately, without any additional expense, except the interest and sinking fund on the half million dollars, eventually own their own source of supply. If the revenues to be received are as stated by the water company. In other words, if it is a good bargain for the city, it is a good bargain for the district.

If the districts were going to buy or condemn they would only have to take such properties as were needed and useful to the districts. I am in favor of the City of San Diego owning the Sutherland dam and getting the water that originates by construction of that reservoir, but the irrigation districts should own everything below.

The price of \$3,750,000 for the entire project, in my opinion, while possibly excessive, the property is worth the money if it can be bought on easy terms. Why not let the irrigation districts buy everything below Sutherland on the basis of \$2,500,000, and the Sutherland dam site and reservoir site go to the city at any price agreed upon between the city and the water company.

The water, by all the laws of this state, belongs to the lands tributary to that stream, and San Diego City would be lucky to get the Sutherland water, approximately 10 million gallons a day.

A number of years ago a plan was submitted to the people of these two districts, giving them ownership of the water on very reasonable terms. Protests were filed and litigation ensued with the result that you turned the proposition down. Everyone of you regret it today. My prophecy is that it is vital to the best interest of the entire community that the program along the lines above suggested be worked out, thru a compromise fair to all parties in interest.

I am making my protest as a property holder in the Santa Fe and San Diego Irrigation Districts, and I have no other interest in the world in the matter, excepting as to my relation in the success of the two districts, no matter what anyone may say to the contrary.

If the Directors of the two Districts and the land owners thereof feel it is too much of an undertaking to buy the Lake Hodges System on an equitable basis, giving the Sutherland waters to the city, there will be no hard feelings so far as I am concerned, and the only other thing to do, if the city buys the system, is to protect ourselves with the best contract possible.

Yours very truly,

(Signed)

ED. FLETCHER.

Irrigation Directors Adopt Resolution

San
Diego
Coast
Dispatch

8/7/25

At the regular meeting of the Board of Directors of San Dieguito Irrigation District, held Tuesday afternoon (August 4) 1925, there were present John Treanor, president, and one of the owners of San Dieguito Water Company, and party, who appeared before the board in order to give information pertaining to the proposed sale of the San Dieguito Water Company (with whom the San Dieguito Irrigation District has contract for furnishing water) to the City of San Diego.

Mr. Treanor said in his remarks before the board of directors that if the proposed sale is carried out, the best interest of the district will be safeguarded by his company.

There was also present Mayor Bacon and members of the city council of San Diego. These gentlemen present for the purpose of obtaining information from all sources with reference to such proposed sale. The latter was discussed fully by those present and a better understanding was arrived at.

The meeting was opened by the

reading of a letter from Ed. Fletcher regarding the sale of the San Dieguito Water system. The letter, which appears in another section of this paper, was tabled by the directors.

Quite a number of the largest individual land owners in the district were present and expressed their views, the majority of which declared it to be their policy to keep "hands off."

They were W. E. Hodges, vice-president of the Santa Fe Railway Company; D. M. Olausson, of the South Coast Land Company; Frank Cullen, heavy property owner in the district, and Frank Tolle, who is also a property owner of importance.

At the conclusion of the meeting, the board of directors adopted the following resolution:

"It is hereby resolved that the Board of Directors of San Dieguito Irrigation District go on record as expressing its full confidence in their present water contract with the San Dieguito Water Company, and the future development of our district."

Water History

(Copy)

August 6, 1925.

Board of Directors,
San Dieguito Irrigation District,
Encinitas, Calif.

Gentlemen:

In making the statement I did at the meeting of your board at Encinitas Tuesday, I trust that I not only stated my own views, but the attitude of the directors of the San Dieguito District in assuring the representatives of the Water Company and of the City of San Diego that there was no disposition on the part of the district to interfere with their proposed transfer of the Lake Hodges system, if the present and future rights of the district to an adequate water supply were fully protected in the deal.

As I stated, my only purpose is to assist in safeguarding the interests of the Irrigation District. The propositions I laid down cannot be refuted, and no attempt has been made to refute them.

First: That an unlimited transfer of this property to the City puts an end for all time to any chance for the district to acquire any further or greater water supply than it now has under the law and under its existing contract.

Second: That even the right to a continuation of the present supply, which could undoubtedly be maintained as against a private corporation, might be open to dispute by the City, as an independent municipal corporation, on the claim that it was only bound by the actual contractual rights existing when it bought the system.

Third: That in any event the physical possession and control of the district's water supply would pass to the City, which avowedly proposes to retain for itself every gallon of the water it thinks itself entitled to.

Both the representatives of the City and of the Water Company affirm with apparent sincerity that they want their contract so framed that the present consumers shall be protected in all their rights.

The important question is: What guarantees can the district demand and obtain to protect and insure its rights?

Since the meeting Tuesday, I have been formulating a plan in my mind which it seems to me would be fair and equitable

to all parties concerned, and which I herewith submit:

Let the City proceed with its negotiations and contract for the purchase of the entire Lake Hodges and San Dieguito system, and water rights, subject to existing contracts with your district and other consumers; but with an option to the present consumers to purchase from the City, at any time within the life of the outstanding contracts, at a price to be agreed upon, or fixed by the Railroad Commission, the Lake Hodges dam and all of the water system lying below the Sutherland dam site, the City to retain for its own use all water and water rights of the stream, and its tributaries, above Sutherland dam site.

This would give to the City the right to the immediate development of all the water available at the Lake Hodges reservoir, by raising the height of the dam. This is absolutely the only benefit the City can hope for from acquiring the present Lake Hodges dam and reservoir. It could, in a short time, raise the dam a few feet and probably impound for the necessities of the near future several million gallons per day over and above the water already contracted for outside consumers.

But its ultimate policy would undoubtedly be to build a dam at Sutherland in order to carry the water to San Diego and its outlying reservoirs by gravity flow.

As soon as this was done, Lake Hodges would no longer be an asset to the City, but rather a liability, for the reason that the watershed below Sutherland is capable of producing little more than the water already contracted to the various consumers, and the City could not afford to maintain it with no other revenue than it would receive from the present consumers at the contract prices.

As soon as the Sutherland reservoir is built and filled, it would be to the financial interest of San Diego to get rid of the perpetual burden of furnishing water to existing irrigation districts and water consumers at Lake Hodges.

I have submitted this tentative plan to State Engineer McClure, who is now in the City, and he approves it and has asked to see this letter, which I told him I intended to write.

If the idea appeals to you, gentlemen, I would suggest that it be presented to the City Council in the most convincing manner we can think of, as the San Dieguito Irrigation District's conditions for withdrawing all opposition to the proposed sale of Lake Hodges system to the City.

Both the Water Company and the City authorities profess to believe that the contract consumers can do nothing to block this sale in any event, but the activity they are showing in assembling all their forces at every point where the matter is up for consideration indicates to my mind considerable misgivings on their part.

I have not advocated any legal action, and I hope it may be avoided, but I am strongly of the opinion that the proposed contract could be restrained in the courts, until such time, at least, as it shall be determined by the Railroad Commission whether or not the San Dieguito Water Company is a public utility.

Such an arrangement as I have suggested would not only insure the future protection of the irrigation districts, but would probably remove the very prevalent opposition to this proposed sale and purchase in the City of San Diego.

There is already a strong feeling that the present Lake Hodges dam, aside from its temporary use until Sutherland dam could be built, would be a white elephant on the hands of the municipality, incumbered as it is to its present capacity, by outstanding contracts.

Giving to the irrigation districts the right to purchase this part of the system within the next few years, would greatly improve the chances of the deal with the voters of San Diego.

Respectfully submitted,

W. A. SLOANE

WAS:AP

History

THIS AGREEMENT made and entered into this _____ day of September, A. D. 1925, by and between OUYAMACA WATER COMPANY, a co-partnership, by Ed Fletcher, surviving partner, Ed FLETCHER and C. F. STERN, Parties of the First Part, and LA MESA, LEMON GROVE & SPRING VALLY IRRIGATION DISTRICT, an Irrigation District organized and existing under and by virtue of the Irrigation District laws of the State of California, and situated wholly within the County of San Diego, in the State of California, Party of the Second Part,

W I T N E S S E T H:

THAT, WHEREAS, Heretofore and on the 5th day of April, 1924, said Ouyamaca Water Company did make, execute and deliver to said District a certain Agreement wherein and where-by said District was given an option to purchase for the sum of One Million, One Hundred Thousand (\$1,100,000) Dollars, all of the property described in said option; and

WHEREAS, it was found impossible to complete the transaction by the 7th day of May, 1925, and said Agreement was extended by the Ouyamaca Water Company under date of April 25, 1925 until the 17th day of June, 1925; and

WHEREAS, on the 15th day of June, 1925, the parties hereto made and entered into a further Agreement in writing wherein and whereby it was agreed that the District should be entitled to take possession of the said properties and upon and after taking such possession the District should pay to the Parties of the First Part interest at the rate of six (6%) per cent per annum on the total purchase price and capital expenditures made as agreed upon therein and in the Agreements

theretofore entered into, and said District should be entitled to receive the net income from said System until the final consummation and completion of the purchase of said property; and

WHEREAS, it is the desire of all parties that the District should take over the possession and operation of said properties;

NOW, THEREFORE, in consideration of the premises the parties herto hereby agree as follows:

ONE: The parties of the first part agree that said District may take possession of and operate the said system and property from and after the _____ day of _____ 1925, and said District hereby agrees to so take over and operate said properties upon the following terms and conditions:

transfer

(a) Such of possession shall not affect any of the other rights of any of the parties as contained in their previous contracts.

(b) The parties of the first part are to be privileged at any and all reasonable times to have access to and inspection of all books, records and engineering records relating to said properties.

(c) The said District shall not incur any liability for new construction, nor make any changes in said system without the written consent of one of the parties of the first part.

(d) The said District will do all in its power to hasten the final consummation of said transfer, and upon the final consummation of said transfer and the payment of the purchase price, all the terms and conditions of this Agreement shall become null and void.

(e) During the time that the District so has possession and operates said property, and up to the final consummation of the transfer of said property, a monthly statement shall be rendered to the first parties by said District showing all receipts and disbursements received and made by said District during the preceding month.

(f) The said District shall immediately notify the first parties of any acts of third parties which might affect them or the said property adversely.

(g) A failure on the part of said District to keep and perform all the covenants herein contained shall work a forfeiture of their right to retain possession of the said properties.

(h) Should the said District fail to or be unable to complete the purchase of said system and pay the purchase price therefor on or before the time granted by said contract of date June 13th, 1925, and hereinbefore referred to, or such further extension thereof as may be granted by said parties of the first part, said District shall upon demand immediately surrender the possession of said property to the parties of the first part and account in writing for their operation thereof.

(1) Said parties of the first part agree on their part that said District shall have full control of the operation and management of said properties subject to the terms and conditions herein contained, and shall have the right to retain and keep any and all net revenues derived from said property during the term that the same is operated by said District prior to the final consummation of said purchase and sale, and that they will not on their part interfere with or attempt to control the management and operation of said property during the said period.

IN WITNESS WHEREOF the first parties have hereunto set their hands, and the District has caused these presents to be executed in its corporate name by its President and Secretary thereunto duly authorized, the day and year first above written.

CUYAMAGA WATER COMPANY,

By _____
Surviving Partner-

Parties of the First Part-

ATTEST:

LA MESA, LEMON GROVE & SPRING VALLEY
IRRIGATION DISTRICT

By _____
President-

Secretary-

Party of the Second Part-

MEETING OF THE CITY COUNCIL, OCTOBER 15, 1935, AT 10:00 A.M.

DELEGATION of about fifteen men from Normal Heights present.

MEMBERS OF COUNCIL PRESENT: Held, Chairman, Maire, Bruschi,
and Stewart.

PRESENT, ALSO: City Manager Rhodes and City Attorney Higgins.

NORMAL HEIGHTS DELEGATES: "Before we annexed to the City, we held a meeting with the City Council and City Attorney here in this office, and were told that if we voted to annex to the City we would automatically be furnished water at city rates. Mr. Higgins stated that as soon as we came into the City, we would be furnished water immediately at city rates, even if the City had to go so far as to buy water from Fletcher and sell it to us at a loss."

MR. HELD asked MR. RHODES what solution he had to offer. RHODES stated that his engineering department was preparing plans and specifications for an entirely new distribution system in Normal Heights, and that these plans would be ready to file with the City Council for action in two weeks. The City was not intending to take over the mains and pipe lines of the Cuyamaca Water Company, but would build an entirely new system, using mains of sufficient size to take care of the future growth of the district and provide ample fire protection. Mains up to 4-inches in size would be assessed to the property; larger mains would be paid for by the City.

HIGGINS said that money to cover the cost of these pipelines could be taken out of the Reserve Fund.

RHODES stated that it would be four months before work could be started on this system after the plans were accepted by the City Council.

NORMAL HEIGHTS DELEGATES: "Another complaint we have to make is on the condition of the water. It may be free from harmful germs and fit to drink, but it is so discolored and has such a terrible taste and odor that it is almost impossible to use it. We want to know if the City Council cannot force the Cuyamaca Company to filter the water and supply water that is fit for human use."

RHODES stated that Dr. Lesem is watching the water out there, and taking samples regularly; that he is right after the Water Company and doing all he can at the present time to get the water cleared up. Murray Lake became so grown up with algae that it has taken some time to clear it up by bluestoning. He also stated that when the City gets in its own distribution system and starts buying water from the Cuyamaca Company, it will put in its own filtration plant, and then the water will be equal in quality to the city water, which is the best in the State. This filtration plant will cost probably \$30,000., and the City will stand this expense. He said further, "the water out there, I know, is terrible. Snakes, bugs, and I don't know what not are in it, and it certainly is not fit for human use, and we want to do all we can to clear this condition up as soon as we can."

A number of the NORMAL HEIGHTS DELEGATES got up to speak, but all along the same lines as the foregoing. One gentleman asked Mr. Rhodes whether or not the City would take over any of the Cuyamaca Water Company pipelines at all, in places where the present mains are large enough to take care of the future growth.

RHODES replied: "No, the City would not take over any of the pipelines of the Cuyamaca Company. The City would have to buy the entire distribution system at a price of \$200,000.00, or none at all, and the City had no intention of taking over any of these pipelines. Property owners who want to buy water from the City at City rates after the system is installed, will have to make application for the service. It will cost the property owner about \$100.00 for each 50-foot lot for the new mains and service. Of this amount, the service charge will have to be paid in cash, and the balance may be paid off in ten years' time, at 7% interest."

HIGGINS admitted that he had made the statement that Normal Heights would automatically get city water rates as soon as the District annexed to the City, but he denied saying that the City would go so far as to buy water of the Cuyamaca Water Company and sell it to the consumers at a loss. He stated that the City could not do the impossible and take money out of the Treasury to stand a loss of this kind.

Reported by
M. Jackson.

EF

To the Honorable Mayor and Common Council of the City of San Diego:

We, the undersigned, being the Chairman and Secretary of the Citizens' Committee of the Normal Heights District, heartily recommend that, if the following proposition shall be made by the Cuyamaca Water Company to the City of San Diego, that prudential and business reasons demand that the City accept the proposition and proceed forthwith to act upon it, to-wit:

If said Cuyamaca Water Company will sell its distribution lines in Normal Heights at a price to be agreed upon by C. Harritt, Engineer of the Water Company, and Fred Rhodes, City Manager of San Diego, and will also assign to the City the contract by the La Mesa Etc. Irrigation District, whereby water is supplied at nine cents (9¢) per 100 cubic feet, that the City take the same on a lease contract covering a twenty-year period, plus six per cent (6%) interest on the cost thereof, the same to be paid on deferred payments, and from the present and future net receipts in the operation of this system, there is every indication that the profits derived from the selling price over and above the purchase price of said water will within a twenty-year period pay the purchase price and any necessary improvements for the reason that the water could be furnished to the residents of Normal Heights at fifteen cents (15¢) (the price of water to the consumer in the City) instead of twenty-six cents (26¢) which the consumers in Normal Heights are now paying;

And provided further that if said Harritt and Rhodes cannot agree upon the value of the said distribution system, that then a third engineer shall be selected by the two and the decision of the majority of the three shall be final;

And provided further, that if the said engineers cannot make satisfactory appraisal that then and in that event the Railroad Commission shall make an appraisal which shall be final.

As an additional reason why the City should act upon this proposition, if it shall be made, it is apparent that it would save the City from any bonded indebtedness whatever, and from the expenditure of any money except that derived from the sale of water in said District, and would, at the same time, avoid the cost of the residents of said District of approximately \$130.00 per lot.

The above Resolution was unanimously adopted by said Committee, consisting of persons representing the citizenship of Normal Heights, as well as those representing the Normal Heights District Assembly, to-wit: Harry Oaks, Sandy Saunders, Clark Brawley, B. J. Carteri, and S. H. Metcalf.

Dated this 25th day of November, 1925.

CITIZENS' COMMITTEE OF NORMAL HEIGHTS DISTRICT.

By _____ Chairman,

_____ Secretary.

*This is signed - and is at
Base in Normal Heights*

CLASS OF SERVICE	SYMBOL
TELEGRAM	
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 telegram. Otherwise its character is indicated by the symbol appearing after the check.

WESTERN UNION



TELEGRAM

CLASS OF SERVICE	SYMBOL
TELEGRAM	
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 telegram. Otherwise its character is indicated by the symbol appearing after the check.

NEWCOMB CARLTON, PRESIDENT

GEORGE W. E. ATKINS, FIRST VICE-PRESIDENT

The filing time as shown in the date line on full-rate telegrams and day letters, and the time of receipt at destination as shown on all messages, is STANDARD TIME.

Received at 590 Main Street, El Centro, Calif.
1078 FC 9

SAN DIEGO CALIF 400P NOV 7 1925

ED FLETCHER

80

BARBARA WORTH HOTEL ELCENTRO CALIF

WEITZEL CONVICTED BOTH COUNTS JURY OUT 4 HOURS CONGRATULATIONS

FRANK SCHROEDER

412P

Heaton

W. E.

12/11/25

HISTORY

12/1/25

I suggested to Mr. Charles F. Stern we get some competition in bids for the La Mesa District bonds. He said "Fine", and I went to San Francisco, saw J. R. Mason and Frank, and they agreed to bid under certain conditions. I met them on the 8th of December in Los Angeles. Mr. Stern still felt it was a fine thing to get them to bid, but he did not believe it could be done.

I had a conference with them from 10 o'clock until 12. Stern said he would finance them on a reasonable basis but they must come to him, and have me in to talk finances. I got them to go over and see Stern, but they insisted upon my going in the afternoon.

Unfortunately Senator Flint appeared on the scene and advised against doing any business with them as they were not responsible. I was put in a very embarrassing position when Stern told Mason, in my presence, that he could not enter into any negotiations or talk with them at the present time. Conditions might change any day.

I was thoroly down-hearted to get turned down cold that way, but saw Mason again and convinced him and Frank that the thing for them to do was to bid anyway, that Stern was in a very embarrassing position on account of the First Securities Company being in the other syndicate.

I got them to go down on the evening train with me and bring their certified check for \$50,000 and bid for \$2,500,000. We went out the morning of the 9th ~~at~~ had a conference with the Board of Directors. At quarter to ten Mason said they would not bid unless the District cancelled the other syndicate's option. Hall said that could not be done. Mason refused to bid.

In the meantime Stern had telephoned to Hall and also to me saying it looked very promising that the Banks Huntley crowd would take the bonds at 97.76 if there was a four weeks' extension, and he thought that was the thing to do. Mason refused to bid, the meeting broke up and we went down stairs. On the sidewalk Mason came up to me at three minutes to ten, and said, "Don't you think I have done the proper thing?" and I answered "No". Put in your bids by all means. You will get some big advertising out of it, you will play my game, and if these fellows bust up and do not take the bonds you are in line to get the selling of them either thru us or buy them yourself the next time, so at one minute of ten, he put in his bid for the entire amount, and I also got Anderson to put in his bid.

When the bids were opened I asked both sides to

let Anderson have his \$100,000 which they agreed.

The Mason bids were rejected. Anderson got his \$100,000 and McClure stood pat with me, and only gave Banks Huntley two weeks extension, with L'Melveny to approve the legality of everything.

ED FLETCHER

Ed F. ... suggested by Stewart

The District to own the Cuyamaca System and to also furnish water at 9 cents, contract price with the district, to Normal Heights, Kensington Park and East San Diego, until the city brings in a supply itself.

repealed later

That the District buys and keeps the Cuyamaca System and keeps its present supply of water.

That the city be immediately given a deed to the damsite on which El Capitan will be built, also a perpetual lease to the lands that will be flooded which the District or the Cuyamaca Company controls, the city paying \$15,000 a year to the District as annual rental, also \$25,000 a year for the perpetual lease, for the use of Murray Dam jointly with the district.

The City to build a pipe line from El Capitan to Murray at its own expense and the water to be measured into Murray Dam and measured as it goes out, ~~whether~~ water that the city owns, less evaporation loss, the District and the City to jointly use Murray Reservoir.

The District to have the right to purchase one-third of the San Diego River water as developed at El Capitan and San Vicente, the Rhodes' plan, as and when developed, the District to have the water whether the paramount right litigation is favorable to the city or not, the total amount being approximately 5-1/2 million gallons daily, additional water which will be available when the complete development is made.

The District to pay the same price that the Santa Fe and San Dieguito Districts are paying for water, i.e. 4 cents a thousand gallons for what irrigation water they use and 10 cents for domestic use, the domestic use to be determined by the books of the district.

The paramount right litigation to continue to the end. The City agrees to buy the Normal Heights, Kensington Park and East San Diego System from the Cuyamaca Company. The District to still maintain its option to purchase Mission Gorge No. 3 damsite.

Water rights on the San Diego River to stand in statu quo until the litigation is settled.

1 the party of the second part is to cause to be advertised
2 for sale in accordance with the requirements of the law,
3 six per cent. (6%) bonds of the present La Mesa, Lemon Grove
4 & Spring Valley Irrigation District in such amount that the
5 face of the said bonds and the accrued interest thereon to
6 the date of such sale shall equal the value of the said prop-
7 erties as fixed by the said Commission, and upon such sale
8 the parties of the first part agree to bid par and accrued
9 interest for the said amount of the said bonds and to pur-
10 chase the same at the said price if their said bid should
11 be accepted; and the party of the second part agrees that
12 it will sell the said amount of bonds at said sale, and that
13 immediately upon the payment for the same it will pay to the
14 parties of the first part the purchase price of the said prop-
15 erties upon the delivery to it of the proper instruments of
16 transfer accompanied by the evidence of ownership hereinafter
17 provided.

18 The party of the second part agrees to furnish the parties
19 of the first part at its own cost and expense the opinion of
20 attorneys Dillon, Thompson & Clay, of New York, that the said
21 bonds are valid and enforceable obligations of the said dis-
22 trict before the parties of the first part shall be required
23 to accept the same or to transfer the said properties. In
24 the event, however, that the said attorneys should find that
25 there are any irregularities in the issuance or execution of
26 the said bonds, or in the proceedings leading up to the same
27 which can be corrected, the party of the second part is to
28 have the opportunity of legalizing the same by proper proceed-
29 ings.

30 FOURTH.

31 The parties of the first part agree to furnish
32 at their own cost and expense and to the party of the second
33 part, sufficient certificates of title showing good title to

1 the party of the second part is to cause to be advertised
2 for sale in accordance with the requirements of the law,
3 six per cent. (6%) bonds of the present La Mesa, Lemon Grove
4 & Spring Valley Irrigation District in such amount that the
5 face of the said bonds and the accrued interest thereon to
6 the date of such sale shall equal the value of the said prop-
7 erties as fixed by the said Commission, and upon such sale
8 the parties of the first part agree to bid par and accrued
9 interest for the said amount of the said bonds and to pur-
10 chase the same at the said price if their said bid should
11 be accepted; and the party of the second part agrees that
12 it will sell the said amount of bonds at said sale, and that
13 immediately upon the payment for the same it will pay to the
14 parties of the first part the purchase price of the said prop-
15 erties upon the delivery to it of the proper instruments of
16 transfer accompanied by the evidence of ownership hereinafter
17 provided.

18 The party of the second part agrees to furnish the parties
19 of the first part at its own cost and expense the opinion of
20 attorneys Dillon, Thompson & Clay, of New York, that the said
21 bonds are valid and enforceable obligations of the said dis-
22 trict before the parties of the first part shall be required
23 to accept the same or to transfer the said properties. In
24 the event, however, that the said attorneys should find that
25 there are any irregularities in the issuance or execution of
26 the said bonds, or in the proceedings leading up to the same
27 which can be corrected, the party of the second part is to

28 have the opportunity of legalizing the same by proper proceed-
29 ings, *but the parties of the first part shall not be bound to*
accept or pay for same until all irregularities are corrected
and cleared before General Adm 7718
30 FOURTH.

31 The parties of the first part agree to furnish
32 at their own cost and expense and to the party of the second
33 part, sufficient certificates of title showing good title to

*File under
A H Sweet*

1 the second part, hereafter and prior to the fixing of the
2 valuation of the said properties by the said Railroad Commis-
3 sion as aforesaid, make any new or additional expenditures
4 upon the said system except such as may be necessary to keep
5 the same in order and repair.

6 SEVENTH.

7 It is also understood and agreed that prior
8 to the transfer to the party of the second part of the prop-
9 erties hereby agreed to be sold and purchased, that the ex-
10 terior boundaries of the said La Mesa, Lemon Grove & Spring
11 Valley Irrigation District shall be by proper legal proceed-
12 ings to be hereafter taken so changed that there shall be
13 included within the said district the lands specifically
14 mentioned and described in the schedule thereof attached
15 hereto, marked "Lands to be Included in District", and made
16 a part hereof, and all of the parties hereto agree to do all
17 that may be necessary or required of them respectively in
18 order that the said boundaries may be so changed; and the
19 said parties of the first part shall be under no obligation
20 to convey the said properties unless and until the said
21 boundaries shall have been so changed and the said lands so
22 included as aforesaid.

23 EIGHTH.

24 This property, water system, franchises, ease-
25 ments, et cetera, are sold subject to all water right con-
26 tracts, or contracts to rent, sell, supply, or distribute
27 water hitherto made by the San Diego Flume Company (formerly
28 the owner of the said water system), whether such contracts
29 refer to water already furnished, or hereafter to be fur-
30 nished. And the said parties of the first part herein here-
31 by assign, convey, and set over to the party of the second
32 part all their right, title, claim, interest or estate in
33 or to such contracts and all of them, and substitutes and

1 the second part, hereafter and prior to the fixing of the
2 valuation of the said properties by the said Railroad Commis-
3 sion as aforesaid, make any new or additional expenditures
4 upon the said system except such as may be necessary to keep
5 the same in order and repair.

6 SEVENTH.

7 *the sale of said bonds by said second party and*
8 to the transfer to the party of the second part of the prop-
9 erties hereby agreed to be sold and purchased, that the ex-
10 terior boundaries of the said La Mesa, Lemon Grove & Spring
11 Valley Irrigation District shall be by proper legal proceed-
12 ings to be hereafter taken so changed that there shall be
13 included within the said district the lands specifically
14 mentioned and described in the schedule thereof attached
15 hereto, marked "Lands to be Included in District", and made
16 a part hereof, and all of the parties hereto agree to do all
17 that may be necessary or required of them respectively in
18 order that the said boundaries may be so changed; and the
19 said parties of the first part shall be under no obligation
20 *to convey the said properties unless and until the said*
21 boundaries shall have been so changed and the said lands so
22 included as aforesaid. *to/under*

23 EIGHTH.

24 This property, water system, franchises, ease-
25 ments, et cetera, are sold subject to all water right con-
26 tracts, or contracts to rent, sell, supply, or distribute
27 water hitherto made by the San Diego Flume Company (formerly
28 the owner of the said water system), whether such contracts
29 refer to water already furnished, or hereafter to be fur-
30 nished. And the said parties of the first part herein here-
31 by assign, convey, and set over to the party of the second
32 part all their right, title, claim, interest or estate in
33 or to such contracts and all of them, and substitutes and

TENTH.

It is further agreed that the party of the second part is to be entitled to a transfer to it of the said properties upon the compliance by it of all of the covenants in this contract by it agreed to be kept and performed. In the event, however, that the party of the second part should fail to fully perform all of the said covenants prior to June 1st, 1915, then from and after the said date the party of the second part is to pay to the parties of the first part six per cent. (6%) interest per annum on the amount fixed by the said Railroad Commission as the value of the said properties, and the parties of the first part are to pay to the party of the second part the net income from the said system from and after the said date. The parties of the first part shall, however, be under no obligation to transfer the said properties to the party of the second part unless the party of the second part shall have fully and fairly kept and performed all of the said covenants prior to January 1st, 1916.

ELEVENTH.

It is further understood and agreed that this contract is made subject to the approval of the Railroad Commission and the Engineering Department of the State of California, the parties hereto to make joint application for such approval immediately upon the execution of this contract; and it is also further agreed that in any hearing before the said Railroad Commission or the said Engineering Department upon any of the matters provided herein to be submitted to them respectively for their decision, each party hereto shall pay the expenses by them respectively incurred, but that any expenses incurred by the said Railroad Commission shall be paid jointly by the parties hereto, share and share alike.

IN WITNESS WHEREOF, the parties hereto have hereunto set their names, the parties of the first part by subscribing their names, and the party of the second part by its President and

TENTH.

It is further agreed that the party of the second part is to be entitled to a transfer to it of the said properties upon the compliance by it of all of the covenants in this contract by it agreed to be kept and performed. In the event, however, that the party of the second part should fail to fully perform all of the said covenants prior to June 1st, 1915, then from and after the said date the party of the second part is to pay to the parties of the first part six per cent. (6%) interest per annum on the amount fixed by the said Railroad Commission as the value of the said properties, and the parties of the first part are to pay to the party of the second part the net income from the said system from and after the said date. The parties of the first part shall, however, be under no obligation to transfer the said properties to the party of the second part unless the party of the second part shall have fully and fairly kept and performed all of the said covenants prior to January 1st, 1916, and it is hereby agreed that time is of the essence of this contract.

ELEVENTH.

It is further understood and agreed that this contract is made subject to the approval of the Railroad Commission and the Engineering Department of the State of California, the parties hereto to make joint application for such approval immediately upon the execution of this contract; and it is also further agreed that in any hearing before the said Railroad Commission or the said Engineering Department upon any of the matters provided herein to be submitted to them respectively for their decision, each party hereto shall pay the expenses by them respectively incurred, but that any expenses incurred by the said Railroad Commission shall be paid jointly by the parties hereto, share and share alike.

IN WITNESS WHEREOF, the parties hereto have hereunto set their names, the parties of the first part by subscribing their names, and the party of the second part by its President and

INTERVIEW WITH COLONEL ED FLETCHER.

Yes, we^{have} signed the papers selling the Cuyamaca System to the La Mesa Irrigation District.

The City should have owned the system, and Mr. Murray and I did all^{that} we could to get the city to purchase the property, even offering to sell same on the basis of \$10,000 down and \$10,000 a month, which would not have necessitated a bond issue, but San Diego could not see it that way, and it is just as satisfactory to us.

As a matter of fact the District ought to own the system and develop the back country. We have large property interests out there, and both Messrs. Thum, Murray and Mr. Murray and myself have asked that our lands be included in the district. We shall do everything we can to make the district a success.

In the last analysis, the city's development and growth depends largely upon the development of the back country, and I feel sure that there will be no time when the people of this water district will not be willing ~~to~~ and ready to co-operate with the city of San Diego for the mutual benefit of each.

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SOUTHERN PACIFIC COMPANY
(Pacific System)

WAR TAX EXEMPTION

.....
(Name of Place)

.....
(Date)

I certify ticket No. Form for

from to via

is on account of official Government business and not for private purposes
and is exempt from the tax imposed by the Revenue Act of 1918.

.....
(Signature of Officer or Employee purchasing ticket)

Penalty for fraudulent
use \$1,000.00 fine and
imprisonment.

.....
(Title)

.....
(Department or Establishment)

July 1st [1922] ^{CSM}

Run off 8.4 10.2 18.3

2 days needed

Taxable valuation lost

Superior Golf

100 - 40 - 150 - 60 - 200 80

offer to City

210 - 220 - 230

Bel Cuyamaca & district

Ed Fletcher Papers

1870-1955

MSS.81

Box: 63 Folder: 4

Business Records - Water Companies - Cuyamaca Water Company - Sale of System - Papers and notes re sale of system, to La Mesa, etc., District, assembled for history



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