

**EXTRACTS FROM REMARKS MADE BY MR. J. M. C. WARREN  
IN THE COURT ROOM OF THE FEDERAL BUILDING, SAN  
DIEGO, CALIFORNIA, DURING THE HEARING FOR SUR-  
CHARGE RATES FOR THE CUYAMACA WATER COMPANY ON  
JULY 23, 1919.**

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Mr. Warren testified that the cost for water, per acre,  
to the following irrigators in Spring Valley were as  
follows:

Capt. Campbell	\$21.73	per acre	
Mr. Shedager	21.84	"	"
J. M. C. Warren	16.85	"	" (10 acres lemons)
R. McGowan	21.58	"	"
Stewart Bros.	22.33	"	"
Lieut. Abbott	25.07	"	"
Harrison Albright	21.38	"	"

Notices Regarding Hearing, Feb. 6th, 1923, Mailed to:

JAN 27 1923

Mr. J.M.C. Warren, Haines and Harines Jesse George & C. S. Preston City of El Cajon, Rev. C.F. Richardson, Clerk. Outlook Terrace Mutual Water Co. Alfred N. Cook, Sec. La Mesa Mutual Water Co. John C. Scott, Sec. Board of Supervisors Grossmont High School, Cajon Valley Union High School Mrs. Elsa Moore, Clerk La Mesa Heights School, M.G. Tadlock, Clerk. Normal Heights School. Mrs. S.C. Bennett, Clerk. Mr. C.C. Crouch Mr. S.J. Higgins, City Atty. Mr. Arthur T. French, City Atty. Fairmount Water Co. Lemon Grove Mutual Water Co. Mr. J.H. Halley, Sec. City of La Mesa,	La Mesa, Calif. 827 Timken Bldg., City. Central Mortgage Bldg., City.  El Cajon, Calif.  La Mesa, Calif.  La Mesa, Calif. Court House, City. La Mesa, Calif.  El Cajon, Calif.  R. #1, Box 535, City.  4718 - 48th St. City. Spreckels Bldg. City. City Hall, City. East San Diego, Calif. East San Diego, Calif.  Lemon Grove, Calif. La Mesa, Calif.
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# BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of WILLIAM G. HENSHAW  
and ED FLETCHER, surviving co-partners, doing business  
under the firm name and style of the CUYAMACA WATER  
COMPANY, for an order authorizing and permitting an in-  
crease in the rentals, tolls and charges for water furnished by  
them and service rendered by them in furnishing water in the  
County of San Diego, State of California.

APPLICATION  
No. 6767

## NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that the Railroad Commission of the State of California has set a hearing of the above entitled matter before Commissioner Martin on Tuesday, February 6, 1923, at 2:00 P. M., in the Federal Building, at San Diego, California, and has directed that we notify all of our consumers of the time and place of said hearing, in order that they may appear and be heard, should they so desire.

CUYAMACA WATER COMPANY,  
LOU B. MATHEWS,  
*Secretary.*



Copy of Notice for Mailing

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of )  
 William G. Henshaw and Ed Fletcher, )  
 surviving copartners, doing business )  
 under the firm name and style of the )  
 CUYAMACA WATER COMPANY, for an order )  
 authorizing and permitting an increase ) Application No. 6767.  
 in the rentals, tolls and charges for )  
 water furnished by them and service )  
 rendered by them in furnishing water )  
 in the County of San Diego, State of )  
 California. )

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that the Railroad Commission of the State of California has set a hearing of the above entitled matter before Commissioner Martin on Tuesday, February 6, 1923, at 2:00 P.M., in the Federal Building, at San Diego, California, and has directed that we notify all of our consumers of the time and place of said hearing, in order that they may appear and be heard, should they so desire.

CUYAMACA WATER COMPANY.

Lou B. Mathews,  
Secretary.



BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

-----oOo-----

In the Matter of the Application of WILLIAM G. HENSHAW and ED FLETCHER, surviving co-partners, doing business under the firm name and style of the GUYAMACA WATER COMPANY, for an order authorizing and permitting an increase in the rentals, tolls and charges for water furnished by them and service rendered by them in furnishing water in the County of San Diego, State of California.

Application No. 6767.

-----oOo-----

AFFIDAVIT OF MAILING NOTICES OF HEARING

-----oOo-----

State of California )  
County of San Diego ) ss.

LOU B. MATHEWS, being first duly sworn, deposes and says:

That he is the secretary of the Cuyamaca Water Company, the co-partnership named in the foregoing entitled matter. That on the 27th day of January 1923, he deposited in the United States mail at San Diego, California, postage prepaid, addressed to all of the patrons of said Company who would be affected by the above entitled application for increase in rentals, tolls and charges, a notice of the hearing thereof. That a true and correct copy of such notices so mailed is attached hereto and by reference thereto made a part hereof.

LOU B. MATHEWS

( S E A L )

Subscribed and sworn to before me  
this 27th day of January 1923.

J. R. BEARDSLEY  
Notary Public in and for the  
County of San Diego, State of Calif.

1 BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

2  
3 In the Matter of the Application  
4 of JAMES A. MURRAY, WILLIAM G.  
5 HENSHAW and ED FLETCHER, co-  
6 partners doing business under the  
7 firm name and style of the CUYAMACA  
8 WATER COMPANY, for an order authoriz-  
9 ing and establishing a surcharge to  
10 pay for the cost of operation of  
11 pumping from underground reservoirs.

REQUEST THAT APPLICATION  
6767 BE REINSTATED  
UPON THE CALENDAR AND  
DISPOSED OF

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12 To the Honorable Railroad Commission of the State of  
13 California:

14 The Lemon Grove Mutual Water Company and numerous other  
15 consumers under the water system of the Cuyamaca Water Company  
16 respectfully represent:

17 That the Commission on September 24, 1920, by its decision  
18 No. 8145, after full hearings to that end, established general  
19 water rates for the Cuyamaca Company's system.

20 Concerning the rates so determined upon by its order in  
21 the decision No. 8145, the Commission in its opinion, on which  
22 the order fixing the general schedule of rates was based, said:

23 "Computations of the approximate annual income which the  
24 rate schedule established herein will yield, indicates that  
25 a sufficient revenue will be received to meet the necessary  
26 and reasonable operating expenses, replacement-annuity, and  
27 certain interest upon the investment in the system."

28 This determination remains in force as the general schedule  
29 of rates under the system; and the application for surcharge  
30 above said rates is the only basis giving jurisdiction to the  
31 Commission to deal with the rates in any way since the said  
32 decision No. 8145 establishing the schedule of rates.

33 But about April 23, 1921, the Cuyamaca Company filed its said  
Application No. 6767 asking for an order granting it a surcharge  
above said established rates of two and one-half cents per  
hundred cubic feet upon all water delivered under the system  
to cover the alleged cost of pumping water at its El Monte  
plant. This application was first denied by the decision of the

1 Commission No. 9454 dated September 1, 1921.

2 The Guyamaca Company filed a petition verified September  
3 9, 1921, for re-hearing of said decision No. 9454. A re-hearing  
4 was granted on September 27, 1921, and further hearings were had  
5 on October 7 and 8, 1921, and the matter was submitted for  
6 decision.

7 On petition of a number of consumers, by order No. 9677  
8 made October 27, 1921, said submission was set aside and the  
9 matter of the application No. 6767 for the surcharge was re-  
10 opened and reset for further hearing on Tuesday the 29th day  
11 of November, 1921.

12 The said order, however, went further; for in the opinion  
13 prefacing the order so re-opening and resetting the application  
14 for surcharge No. 6767 it was stated:

15 "It is apparent that if the surcharge is to be granted at  
16 all to cover the cost of pumping water for the present season,  
17 it should be granted at once. The Commission will, therefore,  
18 grant the surcharge to take effect immediately and will require  
19 applicant to impound all moneys received from said surcharge  
20 and hold said moneys until the further order of this Commission  
21 following a re-opening of the case."

22 The order of November 29, 1921, though made in the exercise  
23 of jurisdiction on the petition for a surcharge to meet an  
24 alleged temporary exigency requiring pumping and therefore in  
25 its nature a merely provisional and temporary order to cover  
26 the interval until the further hearing, was in fact cast in the  
27 form of a revision of the general rates under the system effecting  
28 an increase of one cent per hundred cubic feet for all water  
29 delivered under the system.

30 In anticipation of the rehearing on said date, the Lemon Grove  
31 Mutual Water Company and others as protestants filed formal answer  
32 to said application No. 6767, the issues raised by which remain  
33 pending and undetermined.

The rehearing so set for November 29, 1921, was continued  
to January 18, 1922, and on January 3, 1922, the Commission  
gave notice that it had "temporarily removed the above entitled



1 matter from its calendar."

2 It has remained thus removed up to this time.

3 But in the meantime, the ostensible surcharge rate impounded  
4 to meet the cost of supposed exigent pumping continues to be  
5 added to the general rates established by the decision No. 8145,  
6 but by reason of rains which fell in \_\_\_\_\_, 1921, all  
7 further necessity for pumping from the El Monte ceased at  
8 that time and there has been no pumping since.

9 And your petitioners represent that the original rates  
10 fixed by decision No. 8145 were, as was in effect held in that  
11 decision, all the consumers could bear; and that the addition  
12 of one cent per hundred cubic feet upon all water delivered  
13 since October 29, 1921, is causing great, and as your  
14 protestants allege, unlawful detriment to the orchard,  
15 horticultural and agricultural interests under the system.

16 WHEREFORE, your petitioners pray that this matter be  
17 restored to the calendar of the Commission and heard upon the  
18 merits at an early date.

19 Respectfully submitted.

21 LEMONGROVE MUTUAL WATER COMPANY

22 By NED A. SKINNER, Pres.

23 HELIX MUTUAL WATER COMPANY

24 By WM. MOTHERALL, President

25 LA MESA MUTUAL WATER CO.

26 E.A. REYNOLDS, Pres.

27 THE OUTLOOK TERRACE MUTUAL WATER CO.

28 M.A. FROST, Pres.

29 J.D. O'BRIEN

30 CHOLLAS MUTUAL WATER CO.

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA

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In the matter of the Application  
of James A. Murray, William G.  
Henshaw and Ed Fletcher, copartners  
doing business under the firm name and  
style of the CUYAMACA WATER  
COMPANY, for an order authorizing  
and establishing a surcharge to  
pay for the cost of operation  
of pumping from underground  
reservoirs.

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REQUEST THAT APPLICATION 6767  
BE REINSTATED UPON THE CALENDAR  
AND DISPOSED OF

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**HAINES & HAINES**  
ATTORNEYS AT LAW  
827-828-829 TIMKEN BLDG.  
SAN DIEGO, CAL.

1 BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

2  
3 In the Matter of the Application of )  
4 JAMES D. MURRAY, WILLIAM G. HENSHAW )  
5 and ED FLETCHER, co-partners, doing )  
6 business under the firm name and style ) Application No.6767.  
7 of the CUYAMAGA WATER COMPANY, for )  
8 an order authorizing and establishing )  
9 a surcharge to pay for the cost of )  
10 operation of pumping from underground )  
11 reservoirs. )

12 Charles C. Crouch, for applicant.

13 Ed Fletcher, for William G. Henshaw and Ed Fletcher.

14 W. C. Earle, for City of San Diego.

15 Jesse George and Clarence S. Preston, for J. C.  
16 Brewer et al., and Robert Ross et Al., protestants.

17 George Russell and O. W. Cotton, for Fairmount  
18 Water Company.

19 Arthur T. French, for City of East San Diego.

20 J. H. Halley, for Lemon Grove Mutual Water Company.

21 J. M. C. Warren, for Helix Mutual Water Company.

22 John T. Scott, for La Mesa Mutual Water Company.

23 W. W. Clary, for Railroad Commission of California.

24 APPLICATION TO RE-OPEN CASE:

25 To the Railroad Commission of the State of California,  
26 San Francisco, California.

27 Gentlemen:-

28 In the Matter of the Application of Cuyamaca Water Co.,  
29 for a surcharge now pending before you --

30 The undersigned known as "Flume Line Consumers" take  
31 water from the main flume of said Company for the irrigation of citrus  
32 trees under rights which originated in contracts entered into with  
33 the San Diego Flume Co., more than 25 years ago, respectfully  
represent:

CLARENCE S. PRESTON  
ATTORNEY AND COUNSELOR AT LAW  
CENTRAL MORTGAGE BLDG.  
SAN DIEGO, CALIFORNIA

1           That the only notice we had that there was to be a hearing  
2 of said matter on the 7th instant was by postal card received *one and two*  
3 *respectively* days before said date; that we had no opportunity to see a copy of  
4 the new application for surcharge and no time to prepare for said  
5 hearing; that those of us who were represented by Attorneys George  
6 & Preston at the hearing on the original application for surcharge  
7 this year assumed that said attorneys would receive reasonable notice  
8 of any action of the Commission regarding said matter and call on  
9 us for help if necessary; that we find that said George was absent  
10 from the County and said Preston absent from the State and unable  
11 even to be present at said hearing until near the close of the  
12 hearing on the 8th inst., and therefore we have had no reasonable  
13 opportunity to prepare and present to you evidence to show that any  
14 surcharge at this time would be extremely unjust and unreasonable:  
15 We believe that if given a reasonable opportunity to do so we can  
16 present to you condusive evidence to this effect.

17           We therefore respectfully ask that unless the Commission  
18 is already satisfied that said Company should not be allowed a  
19 surcharge this year, said hearing be re-opened and ample notice  
20 given to us of the time set for continuance of hearing.

21           In view of the facts that this has notoriously been an  
22 unprofitable year for citrus fruit growers and that it has been an  
23 extremely profitable year for said Company we submit that it would  
24 seem to be manifestly unreasonable and unjust to impose a surcharge  
25 on us.

26           We respectfully call your attention to the fact that  
27 the rates now charged "flume line consumers" are oppressive and  
28 almost prohibitive, being more than five hundred per cent greater  
29 than the rates charged the same class of consumers in 1913 which  
30 rates the Commission in Decision No.536 expressly found to be just  
31 and reasonable. Since 1910 there has been no material improvement  
32 in that portion of the Cuyamaca System available for service to the  
33

1 "flume line consumers" and no material addition to the necessary  
2 expense of delivering water to such consumers.

3 We ask for a reasonable opportunity to prove that except  
4 for the extremely large and profitable sale of water to the City  
5 of San Diego this year there would have not been even a pretense  
6 that pumping from the river was necessary.

7 In the event that the Commission grants our request for  
8 a re-opening of said hearing we ask that the Commission require  
9 said Company to allow its books and accounts to be examined by  
10 an expert accountant to be employed by us in order to determine  
11 whether said Company has not systematically greatly magnified its  
12 expenses in order to mislead the Commission, for we know that from  
13 June 1910 to June 1912 the total disbursements of said Company  
14 equalled for each year only a small fraction of its income for this  
15 year although in those two years a full supply of water was furnished  
16 to all consumers.

17 Any communication from the Commission regarding this  
18 letter sent to El Cajon Valley Citrous Ass'n, El Cajon, Cal will be  
19 promptly submitted to us.

20 A copy of this letter will be furnished to the Cuyamaca  
21 Water Co.

22 Dated El Cajon, California, Oct. 12th, 1921.

23	Fred M. Hills
24	Clark and Beatty
25	L. Oppenheimer
26	Fred N. Patterson
27	Chas. O. Graves
28	J. E. Cunningham
29	Eug S. Vacher
30	F. M. Thompson, Stewart Doubleday
31	John C. Brewer
32	Chas. Rosenberger, Bonnie Brae Sup.
33	Adelaide

1	Samuel F Fox.	Adelaide Graybiel
2	John G. Wills	Rosalie W. Jones
3	Fred H. Springstead	<del>Ed. V. Clark</del> by Ben Beynon
4	N. Liffreing, Admr	Percival Chrystie by O. D. Wilhite
5	J. W. Teyhn	Per. Olson
6	Dr. W. A. Edwards, By Gaptall Lewis	E. S. Paul
7	Neil Stewart	Mrs. H. Thomsen
8	C. A. Kelton	Carl Froberg
9	D. G. Durbin	W. N. Parsons
10	Mrs. W. N. Parsons	R. F. Mc Kinney
11	Mrs. E. W. Moore	Geroge Sears
12	D. C. Roberts	G. R. Welker
13	C. J. Roether	J. L. Burgner
14	Chisler & Gardner	
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COPY

Decision No. 9454

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
JAMES A. MURRAY, WILLIAM G. HENSHAW )  
and ED FLETCHER, co-partners, doing )  
business under the firm name and )  
style of the CUYAMACA WATER COMPANY, )  
for an order authorizing and estab- )  
lishing a surcharge to pay for the )  
cost of operation of pumping from )  
underground reservoirs. )

Application No. 6767

- Charles C. Crouch, for applicant.
- Ed Fletcher, for William G. Henshaw and Ed Fletcher.
- W.C. Earle, for City of San Diego.
- Jesse George and Clarence S. Preston, for J.C. Brewer et al. and Robert Ross et al., protestants.
- George Russell and O.W. Cotton, for Fairmount Water Company.
- Arthur T. French, for City of East San Diego.
- J.H. Halley, for Lemon Grove Mutual Water Company.
- J.M.C. Warren, for Helix Mutual Water Company.
- John T. Scott, for La Mesa Mutual Water Company.
- W.W. Clary, for Railroad Commission of California.

MARTIN, Commissioner:

OPINION

Applicants herein ask, in effect, permission to collect a surcharge of two and one half (2-1/2) cents per one hundred cubic feet for all water delivered to their consumers, alleging that it is necessary to conserve the stored water by pumping.

and that the cost of this pumping is not provided for in the rates as now fixed.

A public hearing was held in this matter at San Diego, of which hearing all of applicants' consumers were notified and given an opportunity to appear and be heard.

Applicants' principal source of supply is the San Diego River and its tributaries, the summer flow of which is augmented by storing storm water in the Cuyamaca and Murray Reservoirs. The supply is further increased, when necessary, by pumping from wells sunk in the San Diego River bed at the El Monte Pumping Station, located near Lakeside. It is also possible to pump water from the Murray Reservoir to a higher elevation with the La Mesa Booster Plant. These two plants are operated only when there is a shortage of water in the Cuyamaca Reservoir. There are several other small pumping plants, which are used every year to pump the water to certain areas not reached by gravity. The service area is divided into three districts: the Flume Service, which can be supplied from Cuyamaca Reservoir or the El Monte Pump; the High Service, which can be supplied from Cuyamaca Reservoir, the El Monte Pump or the La Mesa Booster; the Low Service, which can be supplied from the higher sources, if necessary, but regularly supplied wholly from the Murray Reservoir. For a more detailed description of applicant's system, its history and other data relating to its operation, reference is made to Decision No. 8146, In the Matter of the Application of James A. Murray, Wm. G. Henshaw and Ed Fletcher for an order authorizing and permitting the rentals, tolls, and charges for water fur- nished and service rendered by them in furnishing wa-



ter in the County of San Diego, Application No. 4515; In the Matter of the Application of James A. Murray, Wm. G. Henshaw and Ed Fletcher, doing business under the firm name and style of the Cuyamaca Water Company, for an order authorizing and permitting them to place a surcharge upon their present rentals, tolls and charges for water furnished by them, such surcharge being necessary on account of the increased cost of operation. Application No. 4670; Robert Reas et al. vs. James A. Murray et al., Case No. 1272, decided September 24, 1920.

The capacity of Cuyamaca Reservoir when full is 11,595 acre feet. On June 1, 1921, there were only 3,651 acre feet of water stored in Cuyamaca Reservoir, which is not a sufficient amount to supply the Flume Service and the High Service throughout the year. Applicants introduced evidence to show that the deficiency should be overcome by operating the El Monte Pumping Plant for a period of five months in 1921, at a total cost of approximately \$19,200. Commission's engineer, Mr. M. E. Ready, submitted a report in which he estimated that by exhausting the storage in Cuyamaca Reservoir the cost of pumping at the El Monte plant would be reduced to about \$7,326.

Evidence was also introduced to show that the La Mesa Hooper pump can be operated at a much lower cost per acre foot than the El Monte plant. It was also shown that more than one half of the Lemon Grove consumers, who in previous years have been supplied from the High Service, can be supplied this year by gravity from Murray Reservoir.

It appears that the average pumping expense for the last five years has been \$2,072, exclusive of the operation of the El Monte Plant. However, this plant was operated during the season of 1919 within this period, and then

for a total of only 40 days, at an operating cost of \$3,686. In that year the company was permitted to collect a surcharge, the total of which was much larger than the actual operating expense.

In the schedule of rates established in Decision No. 8145 supra, this Commission recognized the necessity of pumping operations on this system. It recognized the fact that past experience has shown that the operation of the El Monte plant was not necessary each year. However, there was included in the rates there established and still in effect, a sum which was anticipated to be ample to cover the whole cost of pumping over a series of years - an excess accumulating in a year of copious natural supply of water, offsetting a deficit in years of meager supply. It was not conclusively shown that this provision in the present rates is inadequate to meet the purpose for which it was intended.

After carefully considering all the evidence it would appear that the applicants can operate during the season of 1921 by drawing a portion of the water from Cuyamaca Reservoir, supply the deficiency by pumping from Murray Reservoir and at El Monte, and give adequate service to their consumers. It would appear that the cost of this necessary function is properly provided for in the rates already in effect, and the application should therefore be denied.

The following form of order is submitted:

#### ORDER

James A. Murray, William G. Henshaw and Ed Fletcher, co-partners, doing business under the firm name and style of the Cuyamaca Water Company, having applied for an order authoris-

ing and establishing a surcharge to pay for the cost of operation of pumping from underground reservoirs, a public hearing having been held and the matter having been submitted,

It is hereby found as a fact that the rates at present in effect are ample to cover the necessary costs of pumping on this system when considered over a period of years and that the necessity of adding a surcharge at this time to such established rates does not exist.

And basing its order upon the foregoing findings of fact and upon the statements of fact contained in the opinion preceding this order,

IT IS HEREBY ORDERED that the above application be and it is hereby denied.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 1st day of September, 1921.

H. W. BRUNDIGE  
H. D. LOVELAND  
IRVING MARTIN  
CHESTER H. ROWELL  
H. S. BENEDICT

Commissioners.

Certified as a True Copy  
*A. M. [Signature]*  
ASSISTANT SECRETARY  
RAILROAD COMMISSION  
STATE OF CALIFORNIA

**Ed Fletcher Papers**

**1870-1955**

**MSS.81**

**Box: 58 Folder: 9**

**Business Records - Water Companies - Cuyamaca Water Company - State Railroad Commission - Application #6767, Decision #9454, seeking permission for rate increase**



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UC SAN DIEGO

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