

WEDNESDAY NOVEMBER 17th, 1888. - 7 O'clock P.M.

Board of Directors met in special session on call of the President all the members having been duly notified. There were present Geo. D. Copeland, President, A. W. Hawley, T. S. VanDyke and G. F. Judson directors. Absent W. E. Robinson, director.

A. C. Platt, the Secretary not being present, T. S. VanDyke was, on motion duly elected Secretary Pro Tem.

On motion of T. S. VanDyke, the following resolution was unanimously adopted. --

RESOLVED, That the President of this Company be and is hereby authorized to accept, on behalf of the Company, all the provisions and obligations of the following agreement, to wit:-

"Whereas, the San Diego Flume Company is now platting the best portion of the red land upon its mesa tract of 3145 acres six miles back of San Diego, 80 acres of which are to be laid out in town lots, 50 X 140 feet 3 00 acres in villa lots and 1000 acres in lots of ten acres each (exclusive of roads through the whole tract) all of which are to be supplied with water from the works of said Company, we, the undersigned, promise to purchase of said Company at \$1000 each for each ten acre lot and one town lot, the number of ten-acre lots and town lots set opposite our respective names, said one town lot to be included in the price (\$1000.) for each ten-acre lot. Twenty per cent thereof we promise to pay to Bryant Howard and R.A. Thomas as Trustees for ourselves, and said Flume Company as soon as said Company executes and delivers to said trustees the deed of said 1000 acres with water-right for 100 inches of water attached thereto, in trust to distribute by lot among us on some plan to be agreed upon by said Trustees after the completion and filing of the plat of said lands. The remainder of said purchase money is to be paid as called for by said Flume Company, but in sums not exceeding ten per cent per month, provided that when fifty per cent has been paid in, any lot owner may pay the rest with a note secured by mortgage upon the property he has purchased as aforesaid.

"All payments are to be made only to said Trustees, and all monies so paid are to be expended only in construction of said Flume Company's works dams, tunnels, grading, etc. and to be paid only on presentation of vouchers therefor to said Trustees.

"This agreement is to be binding only when subscriptions hereto amount to Seventy five (75) ten-acre lots and Seventy five town lots as aforesaid. By its acceptance hereof the said Company hereby agrees to deed said land and water to said Trustees, to pipe said water to each of said ten acre lots after the completion of its Main line to the Mesa, and within a reasonable time after request by owner of tract, and to give to each owner of said tract its regular perpetual water-right of one miner's inch under four inch pressure to each ten acres, with, with an annual rate of \$3.00 per acre per year after water is once taken.

"By such acceptance, said Company further agrees to exchange with any owner of ten acres or more, who may be dissatisfied with his allotment, for any other ten acre tract upon its said tract of 3145 acres Contiguous to the flume. Said tract so taken in exchange, to be selected by said party so dissatisfied, within sixty days after the allotment aforesaid, but such selection must not cover any town or villa lots or any part of the large reservoir site on the northwest corner of said tract.

"As a further consideration for the purchase of said ten-acre lots, said Flume Company agrees with the subscribers hereto, to run its aqueduct into the city of San Diego within a reasonable time after reaching the large reservoir aforesaid, and sell water south of Mission Valley without any charge other than the regular city rates, or in case any one desires to make a special contract, at such contract rates.

"The said Company further agrees to furnish water for said 1000 acre tract before supplying any other lands lying south and west of the El Cajon Rancho and outside of the Pueblo of San Diego."

And when said agreement is fully signed as provided therein so as to become binding upon the subscribers thereto the President also be and is hereby authorized to execute and deliver to Bryant Howard and R. A. Thomas, the trustees therein named, or their successors in said trust, a good and sufficient deed for One Thousand Acres of land, and water rights to the amount of one hundred inches as specified in said agreement and land sufficient for one hundred town lots therein provided for as to embody in said deed of trust all the provisions of said agreement and all other provisions necessary to bind this Company to a full and faithful performance of the

obligations thereunder, and to sign and seal the same on behalf of this Company, and to cause the signature of the Secretary to be thereto attached as provided in the bylaws of the Company.

On motion the following resolution was adopted unanimously:-

RESOLVED that the day of sale of delinquent stock under assessment Number One, of five dollars per share, heretofore postponed until the 30th day of November 1886 be and the same is hereby further postponed until Saturday the 11th day of December 1886 at 2 O'clock P.M., said sale to be at public auction at the office of the Company and after due notice by publication as the law directs.

On motion the meeting adjourned until Friday the 19th inst at 4 O'clock P.M.

(signed) T. S. Van Dyke.

Secretary pro. tem.

TUESDAY DECEMBER 28th, 1886.

Board met pursuant to adjournment at office of the Company.

Present - Geo. Copeland, President, T. S. Van Dyke and A. W. Hawley, Directors; absent - W. E. Robinson. -- On motion the following resolution was unanimously adopted, viz.

RESOLVED, that the President and Secretary of this Corporation are hereby authorized and directed to sign and execute the contract for use of water presented for our consideration by Chas. F. Francisco and David Gochenauer as the act and deed and resolution of this Company, which contract reads as follows: to wit:-

This agreement made and entered into this 28th day of December, A.D. 1886, by and between the San Diego Flume Company of San Diego, California, a Corporation duly organized under and by virtue of the laws of the State of California, party of the first and Charles F. Francisco and David Gochenauer of the same place, parties of the second part. Witnesseth, That the party of the first part for and in consideration of the promises and covenants of the parties of the second part to it made to undertake to build an Electric Rail Road as hereinafter specified, hereby promises and agrees to and with the parties of the second part that, upon the completion of its flume or pipe line sufficient for the purpose, it will convey and grant unto the parties of the second part their heirs, executors, administrators or assigns, at such points and locations as may hereafter be designated by the party of the first part, if a sufficient fall can be had, a complete right to the use, for the period of thirty years, from the date of such conveyance of the water, from such flume or pipe, for power to propel machinery for the production of electricity to be used in operating and running said road or any branches or continuations thereof and for the lighting of the same and such other uses and purposes as are an incident and necessary to the complete and full equipment and operation thereof.

Said Conveyance of the right to use said water shall be made upon the express conditions following, a breach of any of which on the part of the parties of the second part (except through accident, in which

or use repair shall be made as soon as possible) shall release the party of the first part and revoke the conveyance, to wit:

1st That all water shall be so used that it shall not be contaminated or rendered less fit for household purposes.

2nd That the flow of water shall not be lessened or diminished to any appreciable extent on account of the use of such water for power.

3rd That all water used for power shall be returned to the reservoirs, pipes or flumes of the party of the first part.

4th That such use of water for power shall in no way interfere with the business or purposes of the party of the first part in its use of said pipes, flumes or reservoirs.

5th That the use of said water for power shall not cause the party of the first part any additional expense on account thereof or compel it to increase the flow of water in its flumes or pipes beyond the regular supply for domestic or irrigating purposes.

The said parties of the first part, in consideration of the premises, also further agree that they will not permit or allow any party, parties, Corporation, or Corporations other than the parties of the second part, their heirs, executors, administrators, successors, or assigns, the use of water for generating electricity for operating any electric railway running parallel to or in competition with said railway to be built by the parties of the second part.

And the parties of the second part hereby agree, in consideration of the above to undertake to build and equip an Electric Railway, and to build equip and operate the same if they can raise the funds necessary therefor, from the City of San Diego California, to the West line of El Cajon Rancho and to have the same in running order by January 1st, 1888, the same shall be located through and have a station for passengers and freight in the town of La Mesa, now being laid out and to be duly platted and recorded by the party of the first part and to maintain the same during the continuance of this contract, but the failure to build or equip said road shall not entitle the party of the first part to any damages, but shall release and discharge it from all the obligations of this contract.

It is further agreed that the party of the first part shall not be compelled to complete its work any sooner or in any different manner than it would have been compelled to do, if this agreement had not been entered into -- And it shall, at all times, have the right to shut off the water and prevent the use of same by the parties of the second part their successors, or assigns, whenever any breach of the conditions of this agreement, as before stated, may occur, and all use of water for the power aforesaid is subject to this right.

To all of which the parties hereto for themselves, their successors, heirs, executors, administrators or assigns, bind themselves mutually by these presents. This Instrument is executed by the party of the first part, under and pursuant to a resolution of its board of directors, duly adopted, a copy of which is hereto annexed.

Given under the seal of the party of the first part, and the signature of its president and secretary, and under the hand and seals of the parties of the second part the day and year first above written.

In presence of

Arthur Robinson

W. L. Pierce

(S E A L)

SAN DIEGO FLUME COMPANY

by Geo. D. Copeland, President.

W. H. Somers, Secretary

Charles F. Francisco (S E A L)

David Gochenauer (S E A L)

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OFFICE OF SAN DIEGO FLUME COMPANY.

March 25th, 1887.

Board of Directors met in regular monthly session at the office of said company on this day at 4 o'clock P.M. Present: George D. Copeland, President, and G. F. Judson, A. W. Hawley and W. E. Robinson Directors,. Absent: T. S. Van Dyke, Director. The minutes of the previous meeting were read and approved.

The following resolution was also adopted by unanimous vote, to wit:

"RESOLVED, that the President and Secretary are hereby authorized to execute and deliver the following Contract with the College Hill Land Association:

- C O N T R A C T -

This agreement, made and entered into this 25th day of March A.D. 1887, by and w between the San Diego Flume Company, a corporation organized under the laws of the State of California, by its President duly authorized thereunto by resolution of its board of directors duly made and entered, party of the first part, and the College Hill Land Association, a corporation organized under the laws of the State of California by its president thereunto duly authorized by resolution of its board of directors duly passed,

WITNESSETH:-

Whereas the party of the first part has now in process of construction the necessary dams, reservoirs, flumes and aqueducts for the purpose of bringing water from the Cuyamaca Mountains and other points lying between San Diego and the said mountains, for the purpose of supplying the City of San Diego and its inhabitants and also the farming Country adjacent to its works with water for the purposes of irrigation, and generally for the culinary and other family and domestic purposes in said City of San Diego: And whereas the College Hill Land Association is the owner of a certain quantity of land situate in said City of San Diego, to-wit: lots 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, and lots

OFFICE OF SAN DIEGO FLUME COMPANY.

March 35th, 1887.

Board of Directors met in regular monthly session at the office of said company on this day at 4 o'clock P.M. Present: George D. Copeland, President, and G. F. Judson, A. W. Hawley and W. E. Robinson Directors,. Absent: T. S. Van Hyke, Director. The minutes of the previous meeting were read and approved.

The following resolution was also adopted by unanimous vote, to wit:

"RESOLVED, that the President and Secretary are hereby authorized to execute and deliver the following Contract with the College Hill Land Association:

- CONTRACT -

This agreement, made and entered into this 25th day of March A.D. 1887, by and w between the San Diego Flume Company, a corporation organized under the laws of the State of California, by its President duly authorized thereunto by resolution of its board of directors duly made and entered, party of the first part, and the College Hill Land Association, a corporation organized under the laws of the State of California by its president thereunto duly authorized by resolution of its board of directors duly passed,

WITNESSETH:-

Whereas the party of the first part has now in process of construction the necessary dams, reservoirs, flumes and aqueducts for the purpose of bringing water from the Guyanaca Mountains and other points lying between San Diego and the said mountains, for the purpose of supplying the City of San Diego and its inhabitants and also the farming Country adjacent to its works with water for the purposes of irrigation, and generally for the culinary and other family and domestic purposes in said City of San Diego: And whereas the College Hill Land Association is the owner of a certain quantity of land situate in said City of San Diego in Pueblo lots 1114, 1115, 1116, 1117, 1118, and lots G. D. E. F. and G. and parts of lots 11

DIRECTORS MEETING

Office of the SAN DIEGO FLUME COMPANY.

Saturday May 14th, 1887.

The Board of Directors of the San Diego Flume Company met this afternoon pursuant to call of the President. There were present, T. S. Van Dyke, W. E. Robinson, A. W. Hawley, G. F. Judson, and George D. Copeland -- being a full board -. The Minutes of the last meeting were read and approved.

On motion the following resolutions were unanimously adopted:

RESOLVED: that the president and secretary be authorized to execute a contract with the Junipero Land and Water Company giving the said company an option to buy water for its lands at ten cents a thousand gallons.

March 25th, 1887.

Board of Directors met in regular monthly session at the office of said Company on this day at 4 o'clock P.M. Present: George D. Copeland, President, and G. F. Judson, A. W. Hawley and W. E. Robinson Directors. Absent: T. S. Van Dyke, Director. The Minutes of the previous meeting were read and approved.

The following resolution was also adopted by unanimous vote, to wit:

"RESOLVED, that the President and Secretary are hereby authorized to execute and deliver the following Contract with the College Hill Land Association:

- C O N T R A C T -

This agreement, made and entered into this 25th day of March A.D. 1887, by and between the San Diego Flume Company, a corporation organized under the laws of the State of California, by its President duly authorized thereunto by resolution of its board of Directors duly made and entered, party of the first part, and the College Hill Land Association, a corporation organized under the laws of the State of California by its president thereunto duly authorized by resolution of its board of directors duly passed,-

WITNESSETH:- Whereas the party of the first part has now in process of construction the necessary dams, reservoirs, flumes and aqueducts for the purpose of bringing water from the Cuyamaca Mountains and other points lying between San Diego and the said mountains, for the purpose of supplying the City of San Diego and its inhabitants and also the farming Country adjacent to its works with water for the purposes of irrigation, and generally for the culinary and other family and domestic purposes in said City of San Diego: And whereas the College Hill Land Association is the owner of a certain quantity of land situate in said City of San Diego in Pueblo lots 1114, 1115, 1116, 1117, 1118, and lots C, D, E, F, and G, and parts of lots 1110, 1111, 1124, and 1125, as shown

and delineated upon a map of the Pueblo lands of San Diego made by James Pascoe, City Engineer, May A. D. 1870, and is desirous of procuring a supply of water upon its said lands for domestic use for families that may hereafter settle and live upon the same or upon parts thereof, and also for the irrigation of such portions thereof as it may desire to irrigate in the future.

Now, Therefore, it is contracted and agreed by and between said parties as follows: That in consideration of the covenants on the part of the party of the second part hereinafter made and specified, the party of the first part agrees to and with the party of the second part that the said party of the first part shall prosecute the work of construction of their said reservoirs, flumes, ditches, and pipe lines with all reasonable diligence, and bring upon the said lands for use and distribution over the different parts a good and sufficient supply of water for all the purposes aforesaid and to the extent that may be necessary and be required by the party of the second part for the purposes before specified and that it will within six months from the time its said flumes, ditches and pipe lines or either of them, shall be completed so as to supply water in a reservoir to be constructed for supplying water to the City of San Diego and its inhabitants or at a reservoir to be constructed ~~for~~ by it on tract nineteen of the Ex Mission lands, as per the map of the partition thereof extend its said flume, ditches, or pipe lines so as to bring said water upon the aforesaid lands of the party of the second part, and to a point thereon that shall hereafter be selected by agreement of the parties as hereafter specified, and shall within the six months aforesaid, and subject to its regular rules and regulations of distribution, furnish to the party of the second part all the water needed upon the several tracts of land aforesaid to be used on said property for irrigation, domestic, and other uses as hereinbefore stated, and shall from that time forward during the term of ten years next succeeding such time continue to sell to the party of the second part upon its said lands such an amount thereof regularly as it may desire for all the purposes aforesaid. And it is expressly understood and agreed by and between said parties that the party of the second part shall have the exclusive right to supply all water used on the aforesaid lots 1114,

1115, 1116, 1117, 1118, and lots C, D, E, F, and G, and on such parts of lots 1110, 1111, 1134, and 1135 as the said party of the second part, now own or may hereafter acquire therein, whether or not owned by the party of the second part, and all persons thereon desiring to purchase water for all of any of the purposes aforesaid, and to collect and receive such compensation as may be agreed upon by the said party of the second part, and their said customers, or as may be regulated by the governing power controlling the same, but that the party of the second part shall not have the right to furnish or supply water upon any land other than those aforesaid, under this contract; that the water so furnished as aforesaid by the party of the first part, to the party of the second part shall be furnished to and paid for by the said party of the second part, at the rate of ten cents for each one thousand gallons of water so taken by them from the party of the first part for the term of ten years from the time the water shall have been delivered by the party of the first part to the party of the second part as aforesaid.

It is further agreed by the party of the first part that if an advantageous site to be approved by its engineer can be found upon the aforesaid land of the party of the second part upon which to inch a reservoir for supplying the city of San Diego that it will place its said reservoir thereon at as high a point as advisable in the opinion of its engineer, and if such reservoir is not placed upon said tract or if built thereon is not high enough to cover all of the said tract it will lay its pipe to the highest point thereon that the pressure in its pipes will warrant and supply said water from said point for the purposes aforesaid. It is further mutually agreed by and between the parties that the party of the second part shall put in its own distributing system from a connection with the reservoir or pipe line of the party of the first part, and take its water at said reservoir or from the main flume or pipe of the said Company passing over said land. And that at the expiration of ten years from the time said water shall have been provided as aforesaid, the party of the first part shall have a right at its election to buy from the said party of the second part, their said plant and distributing system at its fair cash value at that date to be then

ascertained by three appraisers to be appointed for that purpose, one of said appraisers to be selected by each of these contracting parties, the other to be selected by the two so chosen, and in case the two so chosen cannot agree upon the third man, he shall be selected by the Judge then presiding in the Superior Court of the County of San Diego, and that the decision of a majority of said appraisers returned shall be binding upon both of these contracting parties fixing the value of the said plant and distributing system, and in case the party of the first part shall not elect to purchase said plant and distributing system of the party of the second part, the said party of the first part shall continue to supply water to the party of the second part until the party of the first part elects to buy said plant as aforesaid on the same terms and conditions and at the same rate hereinbefore provided under this contract, and in case of any failure on the part of the party of the first part to fully comply with each and every of the agreements herein specified on its part the party of the first part will pay to the party of the second part all damages that it or the parties to whom it may have contracted to supply water shall sustain on account of or by reason of such failure, but such damages shall not exceed the sum of ten thousand dollars. However, upon this express reservation that should any accident happen to the dams, reservoirs, or flumes of the party of the first part without their fault or negligence so as to make it impossible for it to supply said water for the time being the party of the first part shall not be held responsible for damages therefor. Provided, however, that the party of the first part shall in case of such accident proceed with all diligence to restore or repair their said works as soon as the same can be done with reasonable diligence and restore the supply of water as aforesaid, and continue the same to the party of the second part, it being understood and agreed that the said party of the first part shall only be held excusable for unavoidable accidents, for unusual droughts, and for a reasonable time to enable it to repair its said works and no further. In consideration of the foregoing covenants on the part of the party of the first part, the party of the second part agrees with the party of the first part that it will convey by grant deed to the party of the first part such a piece and parcel of land

within its said grounds and at a point suitable therefor upon which to construct a reservoir thereon hereinbefore specified to be selected by mutual agreement between the parties hereto not be exceed however two acres in all, but the party of the first part shall have the right to purchase from the party of the second part at the market price thereof, so much of the adjoining land as shall be necessary for their said reservoir, in case said party of the first part should find a suitable location thereon as hereinbefore stated and that it will also give to the party of the first part a right of way for its flumes or pipe lines to the reservoir, and also to extend its pipe lines under any street or road upon its said property as if the future extension of the system of flumes or pipes by said party of the first part may require to furnish water to and beyond or contiguous to said tract. That it will subscribe and pay for and take on delivery of the bonds of the party of the first part about being issued for the purpose of raising funds with which to pay for the construction of their said flume the sum of ten thousand dollars par value, at ninety five cents on the dollar of said par value thereof.

That it will pay to the party of the first part for water so furnished to it for the purposes aforesaid, both for its own use and for sale to other parties owning, or that may hereafter own or purchase any part or parcel of its said lands, or claim the same, for any of the purposes aforesaid, ten cents for each and every thousand gallons of water that it, or its grantees or persons residing upon the property aforesaid may take and use thereof -- payments to be made monthly, to wit: on the tenth day of each month for water taken and used during the preceding month, and if payment is not so made the party of the first part shall have the right to refuse to furnish water thereafter until said payment is made.

J. W. Stearns *Exhibit D* *44*
Extract from minutes of meeting of Board of Directors of the San Diego Flume Company, held in the office of the Company in San Diego, California, on March 7th, 1908.

Present: Directors, M.C. Heslion, L.L. Boone, J.F. Maloney, Miss L.B. Anderson and Lou B. Mathews.

The Chairman declared, all members, and a quorum present.

"Moved by Director, L.L. Boone, seconded by Director, J.F.

Maloney:

"I move that the action of the President and Secretary in making a deed to the La Mesa Development Company, dated the 7th day of February, 1908, of certain property belonging to the San Diego Flume Company, for the consideration of \$11,000.00 and also the action of the President and Secretary, together with A.A. McKechnie, Trustee, in making deed to certain other property belonging to the San Diego Flume Company, in consideration of the sum of \$27,300, dated the 7th day of February, 1908, the first of which said deeds is recorded in Book 424 at page 151 et seq., of the Deed Record of San Diego County, California, and the second of which said deeds is recorded in Book 423 at page 261 et seq. of the Deed Records of said County, be ratified, confirmed and approved. Same being unanimously carried.

"Moved by Director, L.L. Boone, seconded by Director,

J.F. Maloney:

"I move that the action of the President and Secretary in entering into a contract with the La Mesa Development Company, which is dated February 7th, 1908, and provides for the sale and transfer to the La Mesa Development Company of 150 inches of water, under the terms and conditions as set forth in said contract, be and the same is hereby ratified, confirmed and approved. Same being unanimously carried.

Extract from minutes of meeting of Board of Directors of the San Diego Flume Company, held in the office of the Company in San Diego, California, on April 4th, 1908.

Present: Directors, M.C.Healion, L.L.Boone, J.F.Maloney, L.B.Anderson and Lou B. Mathews.

The Chairman declared, all members, and a quorum present.

"Moved by Director, L.L.Boone, and seconded by Director, J.F.Maloney; same being unanimously carried.

"That the two propositions received from Messrs. H.A.Vernet, George Parker and James Anderson, be accepted, which read "as follows:

"San Diego Flume Company,
San Diego, Calif.

"Dear Sirs:-

The undersigned, Committee of the Bondholders of the Consolidated Water Company of San Diego, (California) who hold certain indebtedness of your Company in the form of open account, promissory notes, or otherwise, for moneys and advancements made by said Committee on behalf of said bondholders, and interest thereon, hereby propose to your company to cancel \$75,000.00 of the indebtedness of your company to this committee, whether said indebtedness be in the form of an open account or otherwise, in consideration of the transfer to this Committee of an indebtedness of \$75,000.00 which your company holds against the La Mesa Development Company in open account, and which has been entered on the books of said La Mesa Development Company as a credit to your company.

In consideration of the assignment to us of said open account of \$75,000.00 on the books of the La Mesa Development Company, you are hereby authorized to charge our account with a like sum on the books of the San Diego Flume Company, and to make any other proper entries necessary to carry out the foregoing proposition.

Very respectfully yours,

H.A.Vernet	}	Committee of Bondholders of the Consolidated Water Company of San Diego.
Geo. Parker		
J. Anderson		

"San Diego Flume Company
San Diego, Calif.

"Dear Sirs:-

We, the undersigned, bondholders committee of the Consolidated Water Company, hereby propose to your Company to cancel \$56,000.00 of the indebtedness of your company to our committee for moneys advanced, and interest on same, and to accept in consideration of the cancellation of such indebtedness \$56,000.00 of the capital stock of the La Mesa Development Company.

This will authorize your company to make the necessary entries on your books in order to carry out the foregoing proposition.

Very respectfully yours,

H.A.Vernet	}	Committee on Bondholders of the Consolidated Water Company of San Diego.
Geo. Parker		
J. Anderson		

"The adoption of the following resolution was moved by Director, L.L. Boone, and seconded by Director, J.F. Maloney.

"Whereas, the Committee on Bondholders of the Consolidated Water Company has in various ways and at various times advanced and paid over to and for the use of this company a sum which with interest amounted on February 7th, 1908 to \$319,166.16 as per ledger account on that date, and Whereas, the said Bondholders Committee has agreed to accept 560 shares of the Capital stock of the La Mesa Development Company at par value of \$100.00 per share in satisfaction of \$56,000.00 of said indebtedness, and to accept on open account of this Company against the La Mesa Development Company in the sum of \$75,000.00 in satisfaction of \$75,000.00 of said indebtedness, leaving a balance due on said indebtedness in the sum of \$188,166.16 as of February 7th, 1908.

"Now Therefore, Be it Resolved, That the President execute an assignment of said stock amounting to \$56,000.00 and an assignment of said open account amounting to \$75,000.00 to H.A. Vernet, George Parker and J. Anderson, Trustees, or Committee of the Bondholders of the Consolidated Water Company, or survivor or survivors of them, and their successors in trust, and also that the President make a promissory note in the following form, and that the Secretary attest the same, to-wit:

San Diego, Calif.
February 7th, 1908.

"\$188,166.16

"For value received, on or before five years from this date, the San Diego Flume Company, a corporation, organized under the laws of the State of California, promises to pay to H.A. Vernet, George Parker and James Anderson, as trustees of committee of the bondholders of the Consolidated Water Company of San Diego, or the survivor or survivors of them, or their successors in trust, the sum of One Hundred and Eighty-eight thousand, one hundred and sixty-six and 16/100 Dollars, gold coin of the United States, with interest thereon from this date until date of payment at the rate of six per centum per annum.

"In Witness Whereof, the said corporation has caused these presents to be executed by its President and attested by its Secretary, who have thereunto been duly authorized by its Board of Directors.

(Signed) San Diego Flume Company

By M.C. Healion, President.

"Attest:

(Signed) Lou B. Mathews, Secretary.

" { SEAL }

"And Be It Further Resolved, That this Company hereby acknowledges itself bound and owing to said Bondholders Committee the principal sum of and interest to become due on said promissory note until the same is paid, and that the action of the President and Secretary in executing said promissory note be and it hereby is ratified and confirmed as the act of this Company. Same being unanimously carried.

J. W. Thelen

Com Ex 9

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April 6, 1915

Railroad Commission of the State of California,
Mr. Max Thelen, President.

Dear Sir:

Pursuant to instructions contained in your letter of February 24, 1915, we beg to submit herewith report showing the result of our investigation and examination of the books of the San Diego Flume Company, in connection with the Guyamaca Water case now before the Commission.

In the report we will take up in regular order the several matters, and in the order as instructed in your letter.

First, we were unable to ascertain that any money or other consideration was paid by the San Diego Flume Company in connection with any water claimed by the company, either by appropriation or by purchase of riparian rights other than the purchase of W E Robinson of all his rights to the waters of the San Diego River, the Sweetwater River and the Santa Ysabel Creek in San Diego County, as appropriated by him, or granted, or released to him. This purchase also included right of way for flumes, aqueducts, pipes, or reservoir acquired by him, or released to him, in consideration of which the San Diego Flume Company paid to him 2,000 shares of Capital Stock at par value of \$100.....\$200,000. Mr. Healion, the president of the Flume Company, advised that it was impossible to segregate the cost of water rights from other physical properties in connection with this purchase.

This purchase was confirmed by minutes of the directors of the Flume Company, held May 22, 1886, and it is evident that the organization of the San Diego Flume Company, May 6, 1886, was for the purpose of acquiring this property.

Second, we have prepared, and submit as Exhibit "A" a complete list of all contracts for water rights in which payments were made to the San Diego Flume Company, so far as records show. This list shows date of contract, number of contract, to whom given, number of inches, amount paid, amount of rental and terms of payment. This list was prepared from the original contract book and includes all contracts entered into by the Flume Company during the existence of that company, some of which have been cancelled, others transferred; and to show the condition existing at the time of sale of the Flume Company's property to Mr. James A. Murray, April 20, 1910, we have prepared statement as of that date showing all contracts in effect, a description of property, rentals, inches of water, and reference to contract covering this latter statement is under Exhibit "B".

Third, we were unable to verify the classification established by the Commission in its original decision in Application No. 118, for the reason that at the date of decision, i.e., March 28, 1913, there were water right contracts in effect covering only 428.980 inches in use and under contract, as against 473.09 inches stated in the decision. In order that you may have a clear understanding of conditions existing June, 1910, the date of sale to Mr. James A. Murray, and changes subsequent to and up to date of decision March 28, 1913, we append a summary of water right rentals classified under the different contracts, which summary includes the 26 inches of water not used but attached to La Mesa Colony Lands, the 149 inches of water not used and not attached to La Mesa Colony Lands, but under contract to the La Mesa Development Company, and the 12 inches under contract to the Indian, for which no charge is made.

June 1910

Under Contract #1	56.51 inches	at \$65.00 per inch per annum
" 2	403.835	" 60.00 " " " "
" 3	67.33	" 30.00 " " " "
" 4	3.62	" 45.00 " " " "
" 5	9.875	" \$600.00 per annum
" 6	14.50	" 5¢ per thousand gallons
" 7	20.00	" 6¢ per " "
" 8	2.25	" \$200.00 per annum
" 9	.16	" 72.00 per inch per annum
La Mesa Colony Lands	28.00	" 70.00 " " " "
Indians	12.00	" No charge (Average of 4 inches per year the last three years.)
To Urban Tracts	<u>5.00</u>	" 5¢ per 1,000 gallons
<u>625.080</u> inches under contract		

The figures shown above remained the same up to and including October 31, 1910 as to inches and rate, beginning November 1, 1910, one (1) inch under the \$60.00 rate was cancelled and reconveyed to Murray and Fletcher by Mrs. H. H. Greenleaf for consideration of \$100.00, being accrued water rental of \$25.00 and cash payment of \$75. Two (2) inches under the \$65.00 rate was also cancelled and reconveyed to Murray and Fletcher, one (1) inch from Anna Hall, in consideration of \$346.74 accrued water rentals and one (1) inch from F J Ulrich in consideration of \$136.68 accrued water rentals.

These changes left 622.080 inches of water under contracts which remained the same up to and including February 28, 1912. The classification March 1, 1912 was as follows:

Under Contract #1	56.51 inches	at \$65.00 per inch per annum
" 2	253.835	" 60.00 " " " "
" 3	67.33	" 30.00 " " " "
" 4	3.62	" 45.00 " " " "
" 5	9.875	" \$600.00 per annum
" 6	14.50	" 5¢ per 1,000 gallons
" 7	20.00	" 6¢ " " " "
" 8	2.25	" \$200.00 per annum
" 9	.16	" 72.00 per inch per annum
To Urban Tracts	<u>5.00</u>	" 5¢ per 1,000 gallons
Present consumers 435.405 inches at (March 15, 1912)		

At date of March 1, 1912 the following contracts were eliminated from the classification:

28 inches at \$70.00 not used, but attached La Mesa Colony
149 " " 60.00 " " " " Development Colony
<u>12</u> " " No charge to "Indians"
189 inches.

As of March 1910	625,080 inches
less above at " 1912	<u>189.</u>
	436,080 "
less water rights reconveyed to H & P 3.	<u>435,080 inches</u>

Included in the classification last noted, we have included the 5 inches to the inter urban tracts; deducting this quantity leaves 428,080 inches under contract and in use at time of the Commission's decision in Application No. 118.

We submit herewith under Exhibit "C" a full and complete report prepared by Mr. H. C. Healion, President of the San Diego Flume Company, relating to the sale of La Mesa Lands and Rights to 150 miner's inches of water to the La Mesa Development Company. This report is very complete and includes all data leading up to the sale of the Flume Company property to Mr. James A. Murray, with copy of contract covering the sale.

We also attach copy of minutes of Board of Directors of the San Diego Flume Company confirming the transaction touched upon in Mr. Healion's report; as reference to Minutes, we refer to Exhibit "D".

You will find attached marked Exhibit "E", copies of each of the nine (9) contracts, as you request.

Fourth, we have verified the Capital Expenditures made by Murray and Fletcher since they acquired the property June 1, 1910, to December 31, 1914, and find that it amounts to \$581,426.33. We submit Exhibit "F" showing in detail expenditures by year 1910 to 1914 inclusive, under the several captions as requested by you. The figures shown in this exhibit were prepared by Mr. F. M. Faude, Engineer of the Guyanese Water Company, and revised by representatives of this office after verification and elimination of sundry items not properly chargeable to capital.

Mr. Hawley, hydraulic engineer of the Commission, has been furnished a copy of this exhibit independent of report.

In closing, we wish to call attention to note issued by the Guyanese Water Company dated April 4, 1912, due April 4, 1914 (2 years), in favor of George Winters, in amount \$71,655.84. This note at date of issue, was made to refund some 20 notes, including principle and interest due to date of refunding note. There has been no interest paid or charged on the books of the company since date of issue of note in question. This note should have been validated by the Commission, and on calling Mr. Fletcher's attention to that fact, he advises as his understanding that unless the property was mortgaged, it was not necessary to secure permission to issue note or other evidence of indebtedness extending beyond one year.

We were accorded every facility in our audit and found the books and accounts in good condition.

Respectfully submitted,

Auditor

J. W. Adams *Exhibit F*

SUMMARY OF CONSTRUCTION AND CAPITAL EXPENDITURES
June 1st, 1910 to January 1st, 1916.

Purchase of physical property of San Diego Flume Co.	\$ 150,000.00
Legal and other Expense in Connection with purchase	592.70
Purchase and Collection of Unpaid Accounts	2,368.04
Purchasing and Protecting Water Rights	3,462.92
Engineering for Proposed Reconstruction, etc.	2,029.21
Equipment	5,472.52
Interest	2,531.98
Lands and Rights of Way	3,231.99
Boulder Creek, Conejon, Poverty Gulch & El Capital Reservoirs	10,248.91
Buildings	188.77
Murray Hill Reservoir, Pipe Lines and Tunnel	41,788.91
Cuyamaca Reservoir	12.10
La Mesa Reservoir	98.37
Eucalyptus Reservoir	75.00
Diverting Dam	12,050.46
Flume Construction, including wood flume, steel flume, concrete flume, steel and concrete siphons, lining, etc.,	134,980.40
Pipe Lines	98,328.25
Meters and Services	17,571.09
Pumping Plants	30,405.50
Telephone Line	2,209.57
Measuring Weirs, Gauging Stations, etc.,	1,356.54
Miscellaneous Expense	217.90
Casualty Insurance	1,163.30
Commissary - Net Cost	905.40
La Mesa Ditch	137.40

TOTAL

\$ 521,428.33
 =====

*Interest
 Land
 Property acquired - must be paid for*

SUMMARY OF CONSTRUCTION AND CAPITAL EXPENDITURES

Year 1910

Purchase of Physical Property of San Diego Flume Co.	\$ 150,000.00
Equipment	597.99
Legal and Other Expense in Connection with Purchase	592.70
Purchase and Collection of Unpaid Accounts	2,213.04
Purchasing and Protecting Water Rights	583.42
Engineering for Proposed Flume Reconstruction	1,255.51
Lands and Rights of Way	136.00
Buildings	11.66
Total for Year 1910 -----	\$ 155,390.32
	=====

Year 1911

Equipment	\$ 661.90
Purchase and Collection of Unpaid Accounts	155.00
Engineering for Proposed Flume Construction	25.00
Murray Hill Work	33,962.72
South Fork and Chocolate Siphons	13,348.67
Boulder Creek, Conejos, Poverty Gulch and El Capitan Reservoirs	1,963.55
Diversion Dam	264.00
Pipe Lines	915.88
Cuyamaca Reservoir	13.10
Pumping Plants	149.13
Interest	51.72
Meters and Services	9.69
Commissary Cost, \$1,920.84 - Credits, \$1,626.00 - Net	294.84
Total for Year 1911 -----	\$ 51,815.20
	=====

Year 1912

Equipment	\$ 1,479.43
Engineering for Proposed Flume Reconstruction	383.35
Purchasing and Protecting Water Rights	250.00
Miscellaneous	5.00
Murray Hill Work	6,950.10
Interest	816.17
South Fork and Chocolate Siphons	500.00
Boulder Creek, Conejos, Poverty Gulch and El Capitan Reservoirs, etc.,	129.79
Diverting Dam	11,620.11
Pipe Lines	18,572.57
Pumping Plants	2,106.64
Measuring Weirs and Gauging Stations	1,137.20
Buildings	136.77
Real Estate and Rights of Way	1,269.20
Meters and Services	5,053.13
Flume Construction	3,493.27
Total for Year 1912 -----	\$ 53,902.63
	=====

SUMMARY OF CONSTRUCTION AND CAPITAL EXPENDITURES

Year 1913

Equipment	\$ 1,947.14
Engineering for Proposed Flume Reconstruction	99.15
Purchasing and Protecting Water Rights	1,252.20
Murray Hill Work	600.00
Interest	524.48
Boulder Creek, Conejos, Poverty Gulch and El Capitan Reservoirs, etc.,	1,804.32
Diverting Dam	166.35
Pipe Lines	6,901.61
Pumping Plants	17,815.38
Measuring Weirs and Gauging Stations	211.13
Buildings	40.35
Real Estate and Rights of Way	457.47
Meters and Services	5,714.90
Flume Construction	38,450.10
Commissary Cost \$7,257.71 - Deductions \$6,647.15 - Net	610.56
Sand Creek Conduit and Siphon	12,791.83
Eucalyptus Reservoir	75.00
Telephone Line	445.36

Total for Year 1913 ----- \$ 89,908.33

Year 1914

Equipment	\$ 786.06
Interest	1,139.61
Purchasing and Protecting Water Rights	1,376.20
Murray Hill Work	276.00
Sand Creek Conduit and Siphon	1,780.49
Pumping Plants	10,334.79
Pipe Lines - Cost \$72,559.69; Less Board \$621.50, Net	71,938.19
Meters and Services	6,793.37
Telephone Line	1,764.21
Boulder Creek, Conejos, Poverty Gulch and El Capitan Reservoirs	6,351.27
La Mesa Dam	98.37
Lands and Rights of Way	1,369.32
Engineering for Proposed Reconstruction	266.30
Measuring Weirs and Gauging Stations	8.21
Casualty Insurance	1,163.30
Miscellaneous	212.90
Flume Construction	64,615.67
La Mesa Ditch	137.40

Total for Year 1914 ----- \$170,411.85

Ed Fletcher Papers

1870-1955

MSS.81

Box: 52 Folder: 1

**Business Records - Water Companies - Cuyamaca
Water Company - San Diego Flume Company - General
files - Board of Directors file; copies filed in 1921**



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