

GUYAMACA WATER COMPANY
SUCCESSORS TO
THE SAN DIEGO FLUME COMPANY
OFFICE: FLETCHER BUILDING
916 EIGHTH STREET, BETWEEN BROADWAY AND E
P. O. BOX 1412

ED FLETCHER, MANAGER
F. M. FAUDE, ASST. MANAGER
LOU B. MATHEWS, SECRETARY
C. HARRITT, SUPERINTENDENT

SAN DIEGO, CALIFORNIA, January 16, 1918

To the Honorable Members
of the Public Lands Committee
of the U.S. Congress.

Gentlemen:-

In relation to House Bill No. 4037, wherein the City of San Diego is asking the right to flood certain lands of the El Capitan Indian Reservation, San Diego County, California, as one of the co-owners of the Cuyamaca Water System, I wish to make the following statement:

The Cuyamaca Water Company, a co-partnership, and its predecessors, the San Diego Flume Co., over thirty years ago built Cuyamaca Lake and a concrete dam at the diverting dam on the San Diego River, thirty-six miles of flume extending through El Cajon Valley to La Mesa, with a daily capacity of 20,000,000 gallons, Eucalyptus Reservoir and La Mesa Reservoir, and have continuously served during that period the entire territory lying east of the city limits of San Diego, including many thousands of acres of irrigated land, and furnished as well the entire domestic supply of the City of La Mesa and El Cajon, as well as the towns of Spring Valley, Grossmont, Lemon Grove, Normal Heights, Kensington Park, and part of the domestic supply of the City of East San Diego. Altogether there are eight or ten thousand people entirely dependent upon the Cuyamaca water Co. for their domestic and irrigation supply of water.

The Cuyamaca Water system has never been a financial success, owing to the company having sold its water too cheaply, and overestimating the quantity. The result was that the property costing \$1,200,000 was sold for \$150,000 cash, and since the present owners, James A. Murray, Wm. G. Henshaw and Ed Fletcher have purchased the system it has only paid operating expenses, as per sworn affidavit of the secretary, herewith attached, showing that no dividends or interest on the investment has ever been paid to any of the present owners of the system; that the total cost of operating the system since June 1, 1910 to December 1, 1917 is \$372,946.00, and the total receipts during the same period \$384,877.00.

Notwithstanding this poor showing, the present owners of the Company felt that the property was of value if properly developed, and have spent several hundred thousand dollars in its development since purchasing same; have made extensive surveys, have rebuilt the entire flume, including the South Fork and Chocolate siphons; have built a reservoir on Murray Hill to protect the domestic supply

of the City of La Mesa; have put in a complete distributing system for Normal Heights and Kensington Park, for domestic purposes; are supplying approximately 2000 people in this section, adjoining the city limits of San Diego today; and are just completing Murray Dam, the longest multiple arch dam ever constructed in the United States, 900 feet in length and over 100 feet in height, with a capacity of approximately 2-1/2 billion gallons of water; said reservoir being located within six miles of the city limits of San Diego, and connected up with the City of San Diego's water system by fourteen-inch pipeline. During the floods of 1916, when the city's water system was injured and Lower Otay Dam went out, we furnished practically the entire supply of water for the City of San Diego for two months, averaging approximately 6,000,000 gallons daily, in addition to supplying our regular demands.

During the years 1911 and 1912 we had in our employ one C. T. Sackett, an engineer, and instructed him to survey the possible dam sites on the San Diego River. Among other dam sites surveyed by Mr. Sackett was the proposed El Capitan dam site, now under controversy. Altogether, we paid nearly \$1500 in surveys under Mr. Sackett's direction. Mr. Sackett's services were not satisfactory and we discharged him.

About thirty days thereafter, Mr. Sackett, through a dummy friend of his, filed on the waters of the San Diego River, and made application through his said friend (one Hamilton) to the Los Angeles Land Office, asking for the right to flood the lands within the El Capitan Indian Reservation. This filing and application was eventually passed on by the Secretary of the Interior, who rejected Hamilton's application, on our protest.

You will please note on the exhibits in this case that said Sackett was the engineer for said Hamilton. Said Hamilton assigned to his attorney, Judge L. L. Boone, said water filing for his attorney's fees. At one time we could have bought the said Hamilton filing for \$2000 or \$3000, but we considered it an attempt at blackmail, and refused to pay a dollar. Judge Boone eventually assigned the Hamilton application to the City of San Diego, without any expense to the City of San Diego. The City asked to have the case re-opened, and their petition was granted. The City also has introduced this bill in Congress, and today the situation is that the Commissioner of Indian Affairs and the Secretary of the Interior have recommended the passage of the bill in question.

On behalf of the owners of the Cuyamaca Water Company, I ask this committee to refuse to recommend this bill, for the following reasons:

1st: That the whole proceeding by the City of San Diego was not begun for the sole purpose of adding to the city's water supply, but to strengthen the city's

claim to the ownership of the waters of the San Diego River; to stop any further development of our system and to compel us to sell the Cuyamaca Water system to the city at a nominal figure.

The City of San Diego started proceedings to condemn the Cuyamaca Water Company's system and asked the State Railroad Commission to fix a valuation on it. This the Commission did, rendering their decision on June 26, 1916, and placing a valuation of \$745,000 on our entire system, which would give us only our money back and 7% interest on our entire investment. The City did not see fit to buy the system at this price and dismissed the proceedings.

The Owners of the Cuyamaca Water System have always been ready to sell the system to the City of San Diego and take bonds of the city in payment, if desired, even offering to sell the system on the basis of \$50,000 down and \$10,000 a month, but the city has never showed any desire to buy our system.

2nd: Admitting, for argument's sake that the City of San Diego in good faith intends to build El Capitan Dam, and taking the City Engineer's own figures as to the cost, i.e., \$2,000,000 for the completed system, the bonding capacity or margin of the city is not sufficient to permit the construction of the necessary dam and pipelines and will not be for many years to come.

I refer you to Cuyamaca Water Company's exhibit "R" in this case, a copy of which is herewith attached, being a letter written by L. H. Moody, the Auditor of the City of San Diego, which reads as follows:

"December 17, 1915.

Mr. Ed Fletcher,
San Diego, Calif.
Dear Sir:-

Complying with your request of even date, beg to advise that the present bonding margin of the city is \$1,643,237.29, based on the real estate, personal and improvement and assessment valuations in the present year in the sum of \$80,500,000."

Since that letter was written, the City of San Diego has voted nearly a million dollars in bonds for the rebuilding of Lower Otay Dam and repairing of flood damage, so that the bonding limit of the city is nearly exhausted.

Attached hereto is Exhibit "C", a clipping from the San Diego Union, dated January 12, 1918, which states as follows:

"The City Assessor has placed a value on the combined real estate, improvements and personal property for the year 1917-18 of \$85,050,558, while the County Assessor values the same property at \$53,670,101, a difference of about 60%."

This shows you the inflation of city values by the City Assessor, in order to increase the legal bonding capacity of the City of San Diego, and if the county and state valuation is right, the City of San Diego exceeds materially its bonding limit today, and it will be many years before the growth of the city will be sufficient to increase the city valuation to warrant the issuance of additional bonds for the building of the El Capitan project.

3rd: The Cuyamaca system today furnishes domestic water to 4000 or 5000 citizens adjoining the city limits of San Diego City. Directly east thereof the country rises rapidly to an elevation of 500 or 600 feet above sea level, known as the La Mesa section, including 15,000 or 20,000 acres adjacent, which is not now under irrigation, all suburban to the city of San Diego. In the center thereof is the city of La Mesa, at an average elevation of 600 feet. In addition thereto, there are many thousands of acres in an easterly direction through the El Cajon Valley, which at the present time have not been watered. There is absolutely no source of supply to take care of the future growth of this section described above, excepting through the Cuyamaca Water Company's system.

If Congress grants the request of the City of San Diego and El Capitan is built, there will be no surplus water for the section above described, and it will work an irreparable injury to the cities of El Cajon, La Mesa and their suburban territory. The Cuyamaca Water Company takes its water out of the San Diego River at the lowest point that it will flow by gravity to this section of the country above described.

The El Capitan damsite is at an elevation of 600 feet above sea level. With the dam built 140 feet in height it is impracticable to put water onto the La Mesa section above described or to the city of San Diego via La Mesa for the following reasons: It is many miles longer to San Diego and, as it takes a fall of 5 feet to the mile in an open flume and 8 to 10 feet to the mile in a pipeline to overcome friction, the supply of water from El Capitan Dam to the country above described, by gravity, is out of the question.

Exhibits and sworn testimony of the city officials of San Diego show that it is the intention of the City of San Diego to run a pipeline directly down the San Diego River to the city of San Diego, which is the logical route if El Capitan is to be built. It is a fact that the City of San Diego is proposing to take away the heritage of the consumers of the Cuyamaca Water system, who have had the use of this water for thirty years, and absolutely prohibits any further development in that section.

If it were a question of emergency, and there were no other source of supply, the owners of the Cuyamaca Water system would not be protesting today; but the fact of the matter is there are several other sources of supply more easily accessible and at a less cost per 1000 gallons; also more easily financed.

The Cuyamaca Water Company has time and again offered to furnish water to the City of San Diego, and they have refused to buy, claiming that there was no necessity and that they had at least a five years' supply on hand - both in 1916 and 1917.

The Cuyamaca Water Co. is a public utility, and its rates are established by the State Railroad Commission of California. The rate to be charged for water to the City of San Diego is established by the State Railroad Commission at 10 ¢ per 1000 gallons, delivered to the city limits. The cost of water to the City of San Diego, from its own gravity system, delivered at the city limits is 19 ¢ per 1000 gallons, as per statement of City Manager Lockwood of San Diego, as per letter to the City Council dated February 27, 1916, herewith attached. In addition to the above cost, there is to be added the cost of rebuilding the Lower Otay Dam; i.e., between \$700,000 and \$800,000. The Bonita Pipeline has also been built at a cost in excess of \$200,000, which will materially increase the cost without in any way increasing the quantity of water, so that it is safe to assume, and we can prove, that every drop of water delivered to the city limits of San Diego costs in excess of 20 ¢ per 1000 gallons.

We furnished the City of San Diego nearly \$60,000 worth of water up to June 1, 1916, after the breaking of Lower Otay Dam, and would have been glad to continue to supply them with water but the city officials refused to buy after that date. Since then we have made every attempt to sell the City of San Diego, and have met with a flat refusal.

We offered to sell the City of San Diego water at 6 ¢ per 1000 gallons during the winter of 1916, while the San Diego River was running, but the above offer was rejected. This offer was a verbal one to City Manager Lockwood.

On April 30, 1917, after the war broke out, the State Railroad Commission gave us authority for the duration of the war to sell surplus water at any price we saw fit. On April 30, 1917, as per exhibit herewith attached, we offered the City of San Diego water - all that they wanted up to 6,000,000 gallons daily, at 3 1/2 ¢ per 1000 gallons. This offer was rejected. On May 2, 1917 we renewed the offer and same was rejected.

On June 31, 1917, we were asked to submit another offer, at 3-1/2 ¢ per 1000 gallons for flood waters, or 7 ¢ per 1000 gallons for water properly certified and drawn from our reservoirs. This offer also was rejected, as per exhibit herewith attached.

On July 5, 1917, as per exhibit herewith attached, we made an offer to furnish all the water necessary to Camp Kearney, the price to be 10 ¢ per 1000 gallons -- but we agreed to refund each month to the City of San Diego one-half of all collections made from the sale of water to the cantonment, until such time as the City of San Diego was refunded the actual cost of the installation of the pipeline to Camp Kearney, plus 5% interest. In other words, we were offering to sell the water at 5 ¢ per 1000 gallons to the City of San Diego, and the city was allowed to collect 10 ¢, until such time as it was fully reimbursed, with interest, for any expenditure made in connection with the city's pipeline to Camp Kearney, which cost approximately \$80,000. This offer was rejected.

On July 10, 1917, I wrote City Manager F. M. Lockwood again on the subject, as per exhibit herewith attached.

On August 31, 1917, I wrote the three members of the City Council, Messrs. Bard, Bacon and Bruschi, constituting a majority of the council, again informing them that we would be glad to furnish water at 8 ¢ per 1000 gallons, which the city was furnishing to Camp Kearney, thereby giving them 4 ¢ per 1000 gallons profit. This also was rejected, the reason being that the City officials decided they did not care to sell their pipeline.

The City Attorney of San Diego, Mr. T. E. Cosgrove, so we were told, was opposed to the city buying any water from the Cuyamaca Co. at all, and his reason was that it might be recognizing the Cuyamaca Water Company's right of ownership to the waters of the San Diego River, which has been contested by the City Attorney, who claims that the City of San Diego owns the water of the San Diego River under a pueblo right. However, the previous City Attorney, Judge Andrews, rendered an opinion to the city denying the validity of said pueblo right.

To overcome City Attorney Cosgrove's objection on the question of pueblo ownership, on October 17, 1917, we wrote the Honorable City Council, as per letter herewith attached, agreeing to stipulate that neither party recognized the other's ownership to the waters of the San Diego River, and accepting the same condition which was inserted by City Attorney Cosgrove in several other contracts with the Cuyamaca Water Co., when water was being furnished by us to the City. This offer was rejected, and every time we were told that the City of San Diego had a sufficient supply and would not consider buying from the Cuyamaca Water Co.

Within the last ten days, in the San Diego Union was printed a statement as given out by City Manager Fred M. Lockwood of the City of San Diego, who took Lieut. Earl Spencer of the U. S. Navy, and Major G. W. Decker, Sanitary Officer of Camp Kearney, over

the City of San Diego's water system. City Manager Lockwood is authority for the statement that these officers were satisfied with the supply of water for the City of San Diego, and also gave out the following statement:

"At the close of December, 1916, the water measurement in Morena Dam was 140.4 feet. At the close of December, 1917, it measured 139.45 feet, showing a decrease of only .95 of a foot."

Morena Dam, at 140 feet, holds between 12,000,000,000 and 13,000,000,000 gallons of water. This also shows that the total draft on the city's system for the year 1917 including serving of water to 30,000 or 40,000 men at Camp Kearny has only slightly decreased the water supply on hand for the last year, and the records show that the entire use of water for the year 1917 with Camp Kearny established has not increased the use of water over the years 1915 and 1916, when our Worlds Fair was open. In other words, the city's reserve has not been lowered during the last year with the emergency added of Camp Kearny, taking between 1,000,000 and 2,000,000 gallons daily. Either the city officials of San Diego have been almost criminally negligent in failing to protect the city's interests, or no emergency exists.

4th: There are other sources available from which the City of San Diego can increase its water supply at much less expense to the City than by building of El Capitan Dam.

(a) It can get through Cuyamaca Water Company at rates established by the State Railroad Commission, immediately, approximately 4,000,000 gallons of water, daily, the year around, with delivery to commence on 24 hours notice. This is approximately one half the total consumption of water from the City of San Diego's system, and within less than two years from date it can be increased to seven or eight million gallons daily if the City desires it, for the Cuyamaca Water Company is ready to commence the construction of a dam at the Diverting Dam at the head of our flume which will control the total flow of the San Diego River at that point. The cost of same will not exceed \$300,000 or \$400,000.

The predecessors of the Cuyamaca Water Company, the San Diego Flume Company, filed on all the waters of the San Diego River, thirty years ago, and this Company has since that time continuously diverted over 50 % of the entire flow of the San Diego River at our point of diversion.

On June 1, 1910, when we purchased the Cuyamaca system from the San Diego Flume Company, we again filed on all the waters of the San Diego River and have continuously proceeded the work with due diligence, spending in development work \$500,000 or \$600,000 in protecting our water filings. We claim that we own all the water of the San Diego River to the extent of the maximum amount that we have ever diverted; that our water filings on the balance of the San Diego River

are valid, as we believe we can prove in court that we have used due diligence, and until the court of last resort, the Supreme Court of the United States, says otherwise, we shall maintain our rights to the best of our ability. It goes without saying that if our filings are good there will be no appreciable amount of water to be obtained by the City of San Diego by building El Capitan Dam below our intake.

We respectfully call your attention also to the fact that by building our proposed dam on the San Diego River at the head of our flume, the land of no Indians will be flooded and the Indians will not have to be moved. Any Government engineer will unquestionably coincide with our view that we have the logical damsite; that bedrock is near the surface and the dam can certainly be built there for not to exceed \$300,000 or \$400,000; while at the El Capitan site selected by the City, the City Engineer of San Diego, Mr. Cromwell, stated under oath that he did not know how far it is to bedrock; and as a matter of fact it has never been determined. To the best of our knowledge, there is no bedrock in sight at 90 feet.

(b) Another source of water supply available to the City of San Diego is by the construction of Barrett Dam, owned by the City of San Diego. According to official records, there is continuously a wastage of approximately 3,000,000 or 4,000,000 gallons daily running to the ocean past this site, which can be conserved by the construction of a dam costing not to exceed \$300,000 or \$400,000.

(c) The City of San Diego has pumping plants installed and can pump water from the San Diego River continuously, according to the statement of the city officials, to the amount of at least 4,000,000 gallons daily, at a cost of not to exceed 4¢ per 1000 gallons, delivered to the city's reservoirs. Yet the City of San Diego has not seen fit to operate any of its pumping plants for the last year, although they can be put in operation on five hours notice.

(d) In addition thereto, the City of San Diego owns the Marron Dam on Cottonwood Creek, from which a large amount of water can be developed.

(e) It has been reported by the City Manager that for \$300,000 or \$400,000 several million gallons of water daily can be developed from the pumping plants of the Tia Juana River.

(f) There is amovement on foot among the business men of San Diego to father the organization of a municipal Water District including the City of San Diego and our suburban section. The idea being to secure a comprehensive development of the entire water sources of San Diego County. A com-

mittee of five of our most prominent citizens has been selected to formulate a plan for the organization of the above district at an early date. This committee is negotiating with William G. Henshaw, owner of the Volcan Land and Water Company system with the idea of having the proposed municipal Water District acquire the said Volcan Land and Water Company system. The Volcan Land and Water Company controls the waters of the San Luis Rey and Santa Ysabel Rivers, and five of the most prominent engineers in the State have determined the net safe yield of water of said system to be over 35,000,000 gallons daily. This water can be delivered, according to their opinion, to the City of San Diego at a cost of not to exceed 6 1/4 ¢ per 1000 gallons.

Certainly this shows that there are available many other sources of supply of water for the city without taking away, through the construction of El Capitan dam, the only source of supply available for the development of the suburban section of San Diego, including the La Mesa and El Cajon territory, now being supplied by the Cuyamaca Water Company.

5th: Any attempt on the part of the City of San Diego to construct a dam at the El Capitan site will immediately start litigation which will continue for years, not alone with the Cuyamaca Water Company, but with all the riparian owners for twenty-five miles below the El Capitan damsite to the ocean. The City of San Diego has not acquired any riparian rights below the dam whatsoever, excepting by the purchase of a few hundred acres of land within approximately one mile of the ocean, where the City has pumping plants now installed.

The City of San Diego never has proven in court that it has any water rights whatsoever on the San Diego River, pueblo rights or otherwise, and until such time as the City can show to Congress that it has any rights, the owners of the Cuyamaca Water Company feel that it is the gravest injustice to the Cuyamaca Company for Congress to grant the petition of the City of San Diego permitting them to flood the Indian lands. The claim of the City that it owns any rights on the San Diego River, by virtue of its so-called pueblo rights, is unquestionably a myth, as we shall be able to prove in due course of time, in court. The facts are that the City of San Diego, in deeding its pueblo lands, so-called, along the San Diego River, specified particularly,

"Together with any and all water rights pertaining thereto."

The records show that until the present city attorney of San Diego set up claim of the ownership of the waters of San Diego River, since the pueblo of San Diego was formed there is no court record to show that the City of San Diego ever claimed any such right; and, as stated before, Judge Andrews, the former City Attorney, went into the case very thoroughly, and definitely decided that the City of San Diego had no claim whatsoever to any of the waters of the San Diego River through its so-called pueblo rights.

6th: By act of Congress in 1894, these lands were set aside for the Indians, to be delivered to them free and clear of all encumbrance at the end of twentyfive years. The Indians have divided up the land or part of it, fenced same, and the lands have been apportioned out to different families. It is hard to believe that these Indians now want to be moved. If they do not want to go then another case as described in Helen Hunt Jackson's "Ramona" will be enacted.

7th: The records in this case show that H. F. Palmer, Assistant Engineer, United States Indian Service, testified as follows:

That below El Capitan damsite the total area of Riparian lands now being irrigated is 3005 acres; The total lands riparian to the stream and entitled to water to be 10458 acres. The above lands the City of San Diego must acquire either by outright purchase or condemnation before El Capitan Dam can be built. I am positive that these lands cannot be bought for \$200 an acre, or \$2,000,000. And if the lands are not purchased the cost of taking away from these lands the water they are entitled to will cost many hundred thousands of dollars, to say nothing of the damage that will accrue to the productive value of the lands themselves. Said Palmer also testified that the records show the net safe yield of the El Capitan damsite, covering a period from 1891 to 1913 inclusive, averages 3,157,000,000 gallons annually, net safe yield.

At the time said Palmer testified on behalf of the Government, Murray Dam was not built. Murray Dam, a concrete structure 900 feet in length and 100 feet in height, is now completed. Its capacity is 2,200,000,000 gallons, while La Mesa Lake, which was built when Mr. Palmer determined its net safe yield, only has a capacity of 450,000,000 gallons. Therefore, by the construction of Murray Dam our storage capacity is increased 1,750,000,000 gallons annually in excess of the storage capacity completed when Mr. Palmer made his determination of net safe yield. That being the case, and Mr. Palmer's net safe yield at El Capitan damsite being 3,157,000,000, by deducting our additional storage capacity of Murray Dam the result is only available as a net safe yield of El Capitan damsite at the present time, a total of 1,407,000,000 gallons instead of Mr. Palmer's original net safe yield of 3,157,000,000 gallons.

Under the new conditions, the net safe yield having been reduced nearly 50 %, the feasibility of the El Capitan project is reduced to that extent, and no engineer in his right mind, under the existing conditions, would recommend at the present time the building of El Capitan Dam.

And finally we wish to say: We have spent between \$25,000 and \$30,000 to date in litigation in this case. The whole thing originated in the mind of one C. T. Sackett, a discharged employe of ours, who in leaving, hypothecated for his own use and never returned, all surveys and original data of every kind and description, paid for by us while he was in

our employ, including all records we had of the possible dam sites on the San Diego River, including the El Capitan site.

We are of the opinion that the filing never was made in good faith, and the testimony shows that, to be charitable, it was only a promotion scheme, if not blackmail; that the filings were assigned to an attorney of Sackett's for his services in the matter; that they were given to the City of San Diego free of charge; that the City of San Diego with its prestige is trying to make good what we consider a fake water filing.

The Cuyamaca Water Company are now in court with clean hands. We know that the San Diego Flume Company and its successors, the Cuyamaca Water Company have for over thirty years furnished to the U.S. Government any amount of water the Indians on the reservation desired, up to 40 miners inches, free of all expense, and have lived up in every particular to its obligations with the United States Government; that through this arrangement the U.S. Government has received great benefit through the investment of the Cuyamaca Water Company, and its predecessors, and if the Cuyamaca Water Company development had not been made, the U.S. Government would of necessity have been compelled to spend great sums of money in development of water for the Indians; that the original owners of the Cuyamaca Water Company lost over \$1,000,000 in its original investment; that the property was taken over by the bond holders, who never received but 15 ¢ on the dollar; that the present owners of the Cuyamaca Water Co. have not since June 1, 1910, the time we took over the system, ever received a dollar in dividends or profit, directly or indirectly, of any kind or description. In addition, they have hardly made operating expenses, but have had the courage of their convictions and have invested today approximately \$1,000,000 in said system. We feel that no graver injustice could be done than to grant the petition of the City of San Diego, for it means added litigation and endless expense; that until the City of San Diego can show through court proceedings that it has any water rights of any kind of description on the San Diego River, the City's request should not be granted, in justice to the owners of the Cuyamaca Water Company; that the bill now before Congress gives the City of San Diego an option for five years from date of passage of the bill, before it is necessary for the City of San Diego to commence construction, and three years thereafter for completion (or eight years in all;) that the passage of said bill puts a cloud on the title to the water rights of the Cuyamaca Water Company; that it would make it impossible for the Cuyamaca Water Company to issue and sell bonds for the completion of our project, which would be a great calamity to the territory now dependent upon our system for its supply of water (as there is no other source available); that the highest use water can be put to is a domestic use; that the Cuyamaca Water Company is today furnishing a supply to three cities outside the city limits of San Diego and over half the total amount of water being furnished is for use within the suburbs of the city of San Diego, and within not to exceed five years will be considered wholly domestic water; while within the eight years given for the completion of the proposed El Capitan Dam, it will practically

all be considered domestic water; that this being the case, the Cuyamaca Water Company is putting the water to equally as good and beneficial use as the City of San Diego ever will. The city of San Diego is furnishing large amounts of water for irrigation use at the present time, as well as domestic supply.

The owners of the Cuyamaca Water Company are of the opinion that the attempt being made by the City of San Diego to secure the passage of H.R. Bill No. 4037 is wholly a case of politics, as well as an attempt to force the sale of the Cuyamaca water system for a nominal sum to the City and block any further development of said system by the owners of the Cuyamaca Water Company. And no great injustice could be done than to allow a municipality in this manner to use its influence and prestige to crush private investment that has had the courage under most adverse conditions to put up the necessary money for the development of water - the most vital factor in the growth and development of San Diego County. And we are positive that the passage of this bill by Congress will retard the water development of the rest of the San Diego River for many years, thereby working irreparable damage to the whole community. Therefore, we respectfully pray that your Honorable Committee will refuse to approve H.R. Bill No. 4037.

Respectfully submitted,

Cuyamaca Water Company,

By

Manager.

F-S-m

CUYAMACA WATER COMPANY .

Statement

of

Receipts and Maintenance and Operating Expenses
June 1, 1910 to November 30, 1917.

Year	Maintenance and Operation Expenses	Receipts	Gain or Loss
1910 7 Mos.	13654.00	17598.00	3944.00
1911 12 "	29953.00	24136.00	5817.00
1912 "	41427.00	29597.00	11830.00
1913 "	40305.00	24641.00	15664.00
1914 "	59903.00	52299.00	7604.00
1915 "	60563.00	83551.00	22988.00
1916 "	80866.00	100268.00	19402.00
1917 11 mos.	46275.00	52787.00	6512.00
	372946.00	384877.00	11931.00

Notes: From June 1, 1910, to December 3rd, 1914, no charges

were made on the Company's books for accrued Depreciation.

Beginning January 1, 1915, these charges were made monthly, in accordance with carefully compiled estimates of actual annual depreciation based principally on valuations of the property in which the average annual depreciation has been very carefully computed.

State of California)
County of San Diego) S.S.

Lou B. Mathews, being first duly sworn, deposes and says: That he is the Secretary of the Cuyamaca Water Company; that he has read and examined the foregoing statements and knows the contents thereof; and that the same are true of his own knowledge and belief.

Lou B. Mathews

Subscribed and sworn to
before me this sixteenth
day of January, 1918.

J. P. Hofflund
Notary Public in and for the
County of San Diego, State of
California.

My Commission Expires September 12, 1921

B

R

H. L. Moody

Auditor and Assessor

Office

N. E. Corner Third and G Strs.

Clifford K. Stout,

Chief Deputy Auditor

C. E. Ellsworth,

Chief Deputy Assessor.

CITY OF SAN DIEGO, CALIFORNIA.

December 17th, 1915.

Mr. Ed. Fletcher,

San Diego, California.

Dear Sir:

Complying with your request of even date beg to
advise that the present bonding ^{margin} capacity of the City is
\$1,643,237.29, based on real estate ^{personal and improvement} assessment values for
the present year in the sum of \$80,500,000.

Yours truly,
(Signed) H. L. Moody,
Auditor.

Exhibit "C"

The San Diego UNION, Saturday morning, January 12, 1918.

"The City Assessor has placed a value on the
combined real estate improvements and personal property, of
\$85,050,558.00, while the County Assessor values the same
property at \$53,670,101.00: a difference of about 60 %.

April 30, 1917.

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

Gentlemen:

There are at least seven or eight thousand acres of tillable, uncultivated lands, in acreage and lots, within the city limits of San Diego, and directly tributary to the city's distributing system.

To encourage the growing of food products, I trust that the City of San Diego will make a low rate for water during the term of the war.

On the authority vested in us by decision of the State Railroad Commission, Case No. 1075, we submit the following offer:

We will furnish you surplus water up to 6,000,000 gallons daily, so long as we have it, delivered into the city's mains, at three and one-half cents (3-1/2¢) per thousand gallons, instead of the established rate approved by the State Railroad Commission of ten cents (10¢). This price to hold good for the duration of the war, as an emergency rate, and subject to a contract being made mutually satisfactory and protecting all parties in interest.

Respectfully submitted,

CUYAMACA WATER COMPANY,

Per (Signed) Ed Fletcher.
Manager.

F-3

(Copy-MMS)

May 2, 1917.

Honorable Mayor
and Common Council
of the City of San Diego.

Gentlemen:

On the 30th day of April, we made an offer to sell surplus water to the City of San Diego, delivered at the city limits, at a price of three and a half (3-1/2) cents per thousand gallons, to encourage the growing of food products during the war. This price is low, particularly in comparison with the cost of city water; i.e., 19¢ per thousand gallons delivered at the city limits, and 27¢ at the consumers' meters, according to report made to the City Council, by City Manager Lockwood, on February 23, 1917.

The quality of our water is unsurpassed, as shown by the test of Smith, Emery & Company, made at the expense of the City last year, and any and all water furnished you by us will be properly treated at our expense, under the direction of your Health Officer, Dr. Banks.

At the Chamber of Commerce meeting, on Monday last, City Manager Lockwood made the statement that the probabilities are that the city will commence drawing on its reserve supply of water in storage, within two or three weeks.

Every drop of water in storage should be held there by the city, to take care of the demands of the city during times of drouth, which are sure to come again. For ten consecutive years, from 1895 to 1905, the run-off of the Lower Otay watershed into the Lower Otay dam was not sufficient to even take

care of the evaporation. This also is true for five consecutive years, 1910 to 1915, and these statements apply to Morena water shed as well. The Sweetwater and Cuyamaca watersheds were but little if any better. On January 1, 1915 there was only a seven months' water supply in storage for this city.

From 1895 to 1910, San Diego had a population of 20,000 to 40,000; while the San Diego system today has a population of roughly 90,000 to supply, with every prospect of increasing growth, particularly with the acquisition of our new Naval Station and 10,000 marines expected here within the next few weeks. Unquestionably there is a cycle of dry years ahead of us now.

The Cuyamaca Water Company is in position to furnish several million gallons of surplus water daily in any event until the first of August next, at the price heretofore stated.

Respectfully submitted,

CUYAMACA WATER COMPANY,

Manager.

7

June 21, 1917

Mr. F. M. Lockwood,
Manager of Operations,
City of San Diego,
San Diego, Calif.

Dear Sir:-

Answering yours of the 20th, will say our offer of three and a half (3½) cents per thousand gallons to the City of San Diego was made as an incentive to increase the production of food products, and based on the theory that the City of San Diego would make a like reduction to the Citizens of San Diego. Our offer was refused, and no reduction made by the City of San Diego to its consumers.

Please do not take the above as a criticism.

My understanding is that the City of San Diego is selling water to the U. S. Government at 10¢ per thousand gallons, with an estimated amount to be used of 2,000,000 gallons daily. This means that if we sell our water at 3½¢ per thousand gallons, the City of San Diego makes a profit of the difference.

As the Cuyamaca Water Company has never paid a dividend, nor even paid operating expenses to date, and as the interests I represent are turning over between 4000 and 5000 acres of land to the U. S. Government, on the Linda Vista Mesa, free of charge, we do not feel that we are obligated to sell water to the City of San Diego at less than cost, that the City may make a profit on the sale of same -- particularly as the cost of the city's gravity water, according to your report to the City Council of February 23, 1917, delivered at the City limits is 19¢ ~~per~~ a thousand gallons.

We would like the business, however, and will install our chlorination plant and deliver our surplus certifiable water, satisfactory to your health officer, up to 2,000,000 gallons per day, at seven cents (7¢) per thousand gallons, as a war measure, for the duration of the war.

If we could be assured that the City of San Diego would take water from us, from the first of January until the first of July, water that we would not have to draw from our storage reservoirs, we would be willing to furnish this water during that period, to the City, as a war measure, for the duration of the war, at three and a half cents (3½¢) a thousand gallons, but can not afford to withdraw our storage water at a less price than seven cents (7¢) per thousand gallons. If the City of San Diego could see its way clear to take five or six million gallons of water from us daily during the winter season, it would warrant us in putting our old pipeline in first-class condition, and would be an added factor of safety to the water supply of San Diego.

If the City is interested, I should be glad to have a conference with you, at your convenience, so that a contract can be drawn up protecting both parties in interest.

Respectfully submitted,
CUYAMACA WATER COMPANY,

F-S

By Edith Manager.

g
COPY

July 5, 1917

Honorable Mayor and City Council,
San Diego, Calif.

(Copy to City Manager Lockwood)

Gentlemen:

In relation to our furnishing water to the Linda Vista Cantonment, will say we appreciate your taking us into consideration, and submit the following offer:

We shall be pleased to furnish any amount of water up to 2,000,000 gallons daily, to the cantonment, said water being certified by your health officer, Dr. Banks; the price to be ten cents per thousand gallons, delivered to the cantonment; and we will refund monthly to the city one-half (1/2) of all collections for the sale of water to the cantonment until such time as the city is refunded the actual cost of the installation of the pipeline, plus five per cent (5%) interest on the amount of money invested, the city to make the proper connections with our system.

We believe that we can place the water on the Linda Vista Mesa at an elevation of from 425 to 450 feet, from Murray Dam, by gravity, and later on, from our flume direct at 500 feet.

If neither of the above propositions are satisfactory, we will sell the city water at six cents a thousand gallons metered at the city limits, certified water, and with sufficient head to put the water to a 425 or 450 foot elevation on the Linda Vista Mesa.

This reduction of price is made for the duration of the war, for the cantonment alone, and is a war measure, based on the authority given us by the State Railroad Commission to sell water at reduced rates. Any water we furnish now will be withdrawn from our reservoirs. The price which we offer you is less than actual cost.

Very sincerely yours,

CUYAMACA WATER COMPANY,

Manager.

F-S

COPY
BK
1/14/18

H
COPY

July 10, 1917

Mr. F. M. Lockwood
City Manager,
San Diego, Calif.

My dear Mr. Lockwood:

Before leaving for the mountains Monday, I sent a letter to the City Council, in care of Dr. Bard, at his request, as he said there was to be a conference. I instructed a copy of the letter to be sent to you, but there was an oversight and I understand you did not receive it. Enclosed herewith find copy, and if interested, I will be glad to take this matter up with you at any time.

I assume of course that the city's pipeline will be put in first-class condition free from leaks, as it is a new pipeline, and that it will withstand the pressure. In case the city does decide to accept our proposition of taking over the pipeline, it is understood that a contract mutually satisfactory and protecting both parties in interest will be drawn up.

My understanding from one of the councilmen was that the City was only obligated to deliver the water to the cantonment grounds at an elevation of three hundred fifty feet. Since then I have been informed by Dr. Bard that the elevation is four hundred eighty feet. This will require an extra pumping cost. Would you kindly write a letter letting me know all the facts. My understanding is that the Government is to pay 10¢ a thousand gallons for what water they use, and that the demands are not to exceed 2,000,000 gallons daily. Is this correct?

Yours very truly,

CUYAMACA WATER COMPANY,

Manager

F-S

Copy
BK 1-14-18

J

October 22, 1917.

Honorable City Council,
San Diego, Calif.
Gentlemen:

At a conference with the City Council, held on Thursday, October 18th, it was unanimously agreed that there was to be a conference between City Manager Lockwood, Engineer Savage and myself, in relation to furnishing water to the Cantonment, the idea being to verbally agree, if possible, on some line of procedure, after which the Cuyamaca Water Co. would submit a written proposition.

City Attorney Cosgrove has seen fit, on his own initiative, to protest against making any arrangements with the Cuyamaca Water Co., claiming that the city would be jeopardising any rights it might have on the San Diego River. The same City Attorney has drawn up two or three contracts in the past with the Cuyamaca Water Co. to protect the City's interests, and there is no reason, unless it is Mr. Cosgrove's prejudice, why another contract cannot be drawn up protecting the City's interests.

We are, and always have been, ready and willing to furnish water to the City under a contract whereby the city waives none of its supposed rights in the San Diego River. The papers state that it was owing to the letter voluntarily written by the City Attorney that the City Manager and Hydraulic Engineer Savage

-2-

did not keep their appointment on Saturday.

I will be pleased to discuss this matter with them, at any time that suits their convenience, but the Cuyamaca Water Co. does not feel bound in any way to furnish water to the City or the Cantonment from this date, and if the Cuyamaca Co. can dispose of its surplus water to outsiders on a satisfactory basis, it will do so.

Respectfully submitted,

CUYAMACA WATER COMPANY,

By _____
Manager.

F-S

K

-- C O P Y --

OPERATING DEPARTMENT

CITY OF SAN DIEGO, CAL
MAIN OFFICE CITY HALL

Feb. 23rd, 1917

To the HONORABLE, THE MAYOR AND THE COMMON COUNCIL
OF THE CITY OF SAN DIEGO, CALIFORNIA

Gentlemen:

Complying with instructions contained in
Resolution No. 23363, I am handing you herewith report
on the amount of water delivered to consumers outside
the city, with ratio of amounts to the whole. Also
cost of water from the impounding system to the
University Heights reservoir for the years 1915
and 1916.

Respectfully,

F. M. LOCKWOOD

MANAGER OF OPERATION

FML/L

(1)

--- COPY ---

WATER DELIVERED TO OUTSIDE CONSUMERS (Gallons)

1916

Name	Locations	Gallons	Per Cent of Total Consumption
S. D. Land Co.	Upper Mesa	270,101	.00881
Piper's Ranch	" "	42,424	.00137
Echinique	" "	183,060	.00597
Coronado	Coronado Wye	76,451,070	2.4962
Broderick	Telegraph Canyon	481,237	.0157
S. D. County	Sweetwater Valley	28,914	.0009
Veneida Ranch	Bonita	167,364	.0054
Encanto	Encanto	18,537,993	.6052
Radio Station	Chollas Heights	852,521	.0278
David Ryan	East San Diego	451,635	.0147
Fairmount Co.	" " "	7,237,035	.236

TOTAL 104,703,354 3.418%

Total water consumed 1916 3,062,678,406 gallons

During February, March, April and May, Coronado Water was delivered at the foot of Market Street.

At the following places on the pipe lines, no water was consumed during 1916:

- | | |
|---------------|------------------|
| Echinique | Telegraph Canyon |
| O. H. Savage | West of Encanto |
| L. B. Long | Encanto |
| E. G. Ebbe | National City |
| G. A. Miller | Vista & P. Sts. |
| W. A. Shaules | Bonita Pipe Line |

GALLONS PUMPED

Mission Valley	Old Town	Coronado Water Co.
557,771,000	13,534,000	510,542,000

(3)

COST OF WATER DELIVERED AT UNIVERSITY HEIGHTS RESERVOIR, 1915

Per 1000 Gallons

GRAVITY WATER FROM IMPOUNDING SYSTEM	PUMPED FROM MISSION VALLEY	PURCHASED FROM CUYAMACA WATER CO	TOTAL GALLONS DELIVERED
1,735,918,071	841,341,000	191,238,126	2,768,397,197

Interest on 4,000,000.00 @ 4% 1915	176,781.25
Interest " 520,196.07 @ 5% 1915	36,009.80
Maintenance	21,232.36
Operation	29,760.03
Depreciation	<u>76,001.54</u>
City water delivered 1,735,918,071 Gallons, Cost	329,784.98 = .189 per 1000 Gals.

IMPROVEMENT OF SYSTEM SINCE DATE OF PURCHASE

Cottonwood Conduit	171,642.63
Pine Creek Intake	46,044.83
Tunnels Dulzura Conduit	9,575.99
Bonita Pipe Line	221,516.33
Lower Otay Seepage Pump	5,587.81
Filtration Plant	65,828.48

(3) of Report

COST OF WATER DELIVERED AT UNIVERSITY HEIGHTS RESERVOIR, 1916.

per 1000 Gallons.

Gravity Water from impounding System	Pumped from Mission Valley	Pumped from Old Town	Purchased from Cuyamaca Water Co.	Totals Gallons Delivered
1,923,665,141	577,771,000	13,534,500	510,541,355	3,025,511,996

COST, MAINTENANCE & OPERATION IMPOUNDING SYSTEM, 1916

	<u>Operation</u>	<u>Maintenance</u>	<u>Total</u>	
Labor	10,718.15	12,038.53	22,756.68	
Material	48,378.55	7,915.54	56,294.99	
	<u>59,096.70</u>	<u>26,954.07</u>	<u>86,050.77</u>	
Interest on \$4,000,000.00 @ 4½% year 1916 -			171,281.25	
" " 738,980.72 @ 5% " 1916 -			33,938.13	Bonds issued
Operation - - - - -			59,096.70	for improvements
Maintenance - - - - -			26,954.07	since date of
Depreciation - - - - -			76,001.54	purchase
Gravity water delivered 1,923,665,141 Cost			<u>367,261.69</u>	-- 19 per 1000 Gallons

The increased cost of Maintenance & Operation of the Impounding System in 1916 due to abnormal weather are shown in the following items:

Power Purchased	13,724.86
Chemicals for purification	25,000.00
Repairs to Morena	5,943.84
Pumps and Sumps Lower Otay	12,500.00
Repairs to Telephone Lines	2,088.94
	<u>59,257.64</u>

{ This does not include flood damage of 1916 of	\$360,000	}
{ Rebuilding Bonita Pipe Line -----	220,000	}
{ Rebuilding Lower Otay Dam -----	700,000	}
	<u>\$1,180,000</u>	}

{ The above does not increase the supply of water. -- Ed Fletcher.

To the Honorable Members
of the Public Lands Committee
of the U. S. Congress.

January 28, 1918.

Gentlemen:-

In relation to House Bill No. 4037, wherein the City of San Diego is asking the right to flood certain lands of the El Capitan Indian Reservation, San Diego County, California, as one of the co-owners of the Cuyamaca Water System, I wish to make the following statement:

The Cuyamaca Water Company, a co-partnership, and its predecessors, the San Diego Flume Co., over thirty years ago built Cuyamaca Lake and a concrete dam at the diverting dam on the San Diego River, thirty-six miles of flume extending through El Cajon Valley to La Mesa, with a daily capacity of 20,000,000 gallons, Eucalyptus Reservoir and La Mesa Reservoir, and have continuously served during that period the entire territory lying east of the city limits of San Diego, including many thousands of acres of irrigated land, and furnished as well the entire domestic supply of the City of La Mesa and El Cajon, as well as the towns of Spring Valley, Grossmont, Lemon Grove, Normal Heights, Kensington Park, and part of the domestic supply of the City of East San Diego. Altogether there are eight or ten thousand people entirely dependent upon the Cuyamaca Water Co., for their domestic and irrigation supply of water.

The Cuyamaca Water system has never been a financial success, owing to the company having sold its water too cheaply, and overestimating the quantity. The result was that the property costing \$1,200,000 was sold for \$150,000 cash, and since the present owners, James A. Murray, Wm. G. Henshaw, and Ed Fletcher have purchased the system it has only paid operating expenses, as per sworn affidavit of the secretary, herewith attached, showing that no dividends or interest on the investment has ever been paid to any of the present owners of the system; that the total cost of operating the system since June 1, 1910 to December 1, 1917 is \$372,946.00 and the total receipts during the same period \$384,877.00

Notwithstanding this poor showing, the present owners of the Company felt that the property was of value if properly developed, and have spent several hundred thousand dollars in its development since purchasing same; have made extensive surveys, have rebuilt the entire flume, including the South Fork and Chocolate siphons; have built a reservoir on Murray Hill to protect the domestic supply

2.

of the City of La Mesa; have put in a complete distributing system for Normal Heights and Kensington Park; for domestic purposes; are supplying approximately 2000 people in this section, adjoining the city limits of San Diego today; and are just completing Murray Dam, the longest multiple arch dam ever constructed in the United States, 900 feet in length and over 100 feet in height, with a capacity of approximately 2 1/2 billion gallons of water; said reservoir being located within six miles of the city limits of San Diego, and connected up with the City of San Diego's water system by fourteen inch pipe-line. During the floods of 1916, when the city's water system was injured and lower Otay Dam went out, we furnished practically the entire supply of water for the City of San Diego for two months, averaging approximately 6,000,000 gallons daily, in addition to supplying our regular demands.

During the years 1911 and 1912 we had in our employ one C. T. Sackett, an engineer, and instructed him to survey the possible dam sites on the San Diego River. Among other dam sites surveyed by Mr. Sackett was the proposed El Capitan dam site, now under controversy. Altogether, we paid nearly \$1500 in surveys under Mr. Sackett's direction. Mr. Sackett's services were not satisfactory, and we discharged him.

About thirty days thereafter, Mr. Sackett, through a dummy friend of his, filed on the waters of the San Diego River, and made application through his said friend (one Hamilton) to the Los Angeles Land Office, asking for the right to flood the lands within the El Capitan Indian Reservation. This filing and application was eventually passed on by the Secretary of the Interior, who rejected Hamilton's application, on our protest.

You will please note on the exhibits in this case that said Sackett was the engineer for said Hamilton. Said Hamilton assigned to his attorney, Judge L. L. Boone, said water filing for his attorney's fees. At one time we could have bought said Hamilton filing for \$2000 or \$3000, but we considered it an attempt at blackmail, and refused to pay a dollar. Judge Boone eventually assigned the Hamilton application to the City of San Diego, without any expense to the City of San Diego. The City asked to have the case re-opened, and their petition was granted.

On behalf of the owners of the Cuyamaca Water Company, I ask this committee to withhold favorable report on this bill, for the following reasons:

The purpose and effect of the proceedings brought by the City of San Diego is to stop any further development of our system and to compel us to sell the Cuyamaca Water system to the city at a nominal figure.

The City of San Diego in court proceedings condemned the Cuyamaca Water Company's system and asked the State Railroad Commission to fix a valuation on it. This the Commission did, rendering their decision on June 26, 1916, and placing a valuation of \$745,000 on our entire system, which would give us only our money back and 7% interest on our entire investment. The City did not see fit to buy the system at this price and dismissed the proceedings.

The owners of the Cuyamaca Water System have always been ready to sell the system to the City of San Diego and take bonds of the city in payment, if desired; even offering to sell the system on the basis of \$50,000 down and \$10,000 a month. The city officials have never shown any desire to buy our system. It may be said, however, the business men have favored such a purchase.

2nd: Admitting for argument's sake that the City of San Diego in good faith intends to build El Capitan Dam, and taking the City Engineer's own figures as to the cost, i.e., \$2,000,000 for the completed system, the bonding capacity or margin of the city is not sufficient to permit the construction of the necessary dam and pipelines and will not be for many years to come.

I refer you to the Cuyamaca Water Company's exhibit "R" in this case, a copy of which is herewith attached, being a letter written by L. H. Moody, the Auditor of the City of San Diego, which reads as follows:

December 17, 1915.

Mr. Ed Fletcher,
San Diego, Calif.

Dear Sir:-

Complying with your request of even date, beg to advise that the present bonding margin of the city is \$1,643,237.29, based on the real estate, personal and improvement and assessment valuations in the present year in the sum of \$80,500,000"

Since that letter was written, the City of San Diego has voted nearly a million dollars in bonds for the rebuilding of Lower Otay Dam and repairing of flood damage, so that the bonding limit of the city is nearly exhausted.

Attached hereto is exhibit "C", an extract from a clipping from the San Diego Union, dated January 12, 1918, which states as follows:

"The City Assessor has placed a value on the combined real estate, improvements and personal property for the year 1917-18 of \$85,050,558, while the County Assessor values the same property at \$53,670,101, a difference of about 60%"

This shows you the inflation of city values by the City Assessor, in order to increase the legal bonding capacity of the City of San Diego, and if the county and state valuation is right, the city of San Diego exceeds materially its bonding limit today, and it will be many years before the growth of the city will be sufficient to increase the city valuations to warrant the issuance of additional bonds for the building of the El Capitan project.

3rd: The Cuyamaca system today furnishes domestic water to 4000 or 5000 citizens adjoining the city limits of San Diego City. Directly east thereof the country rises rapidly to an elevation of 500 or 600 feet above the sea level, known as the La Mesa section, including 15,000 or 20,000 acres adjacent, which is not now under irrigation, all suburban to the city of San Diego. In the center thereof is the city of La Mesa, at an average elevation of 600 feet. In addition thereto, there are many thousands of acres in an easterly direction through the El Cajon Valley, which at the present time have not been watered. There is absolutely no source of supply to take care of the future growth of this section described above, excepting through the Cuyamaca Water Company's system.

If Congress grants the request of the City of San Diego and El Capitan is built, there will be no surplus water for the section above described, and it will work an irreparable injury to the cities of El Cajon, La Mesa and their suburban territory. The Cuyamaca Water Company takes its water out of the San Diego River at the lowest point that it will flow by gravity to this section of the country above described.

The El Capitan damsite, is at an elevation of 600 feet above sea level. With the dam build 140 feet in height it is impracticable to put water onto the La Mesa section above described or to the city of San Diego via La Mesa for the following reasons: It is many miles longer to San Diego and, as it takes a fall of 5 feet to the mile in an open flume and 8 to 10 feet to the mile in a pipeline to overcome friction, the supply of water from El Capitan Dam to the country above described, by gravity, is out of the question.

Exhibits and sworn testimony of the city officials of San Diego show that it is the intention of the city of San Diego to run a pipeline directly down the San Diego River to the city of San Diego, which is the logical route if El Capitan is to be built. It is a fact that the City of San Diego is proposing to take away the heritage of the consumers of the Cuyamaca Water system, who have had the use of this water for thirty years, and absolutely prohibits any further development in that section.

If it were a question of emergency, and there were no other source of supply, the owners of the Cuyamaca Water system would not be protesting today; but the fact of the matter is there are several other sources of supply more easily accessible and at a less cost per 1000 gallons; also more easily financed.

The Cuyamaca Water Company has time and again offered to furnish water to the City of San Diego, and they have refused to buy, claiming that there was no necessity and that they had at least a five years supply on hand - both in 1916 and 1917.

The Cuyamaca Water Co., is a public utility, and its rates are established by the State Railroad Commission of California. The rate to be charged for water to the City of San Diego is established by the State Railroad Commission at 10¢ per 1000 gallons, delivered to the city limits. The cost of water to the City of San Diego, from its own gravity system, delivered at the city limits is 19¢ per 1000 gallons, as per statement of City Manager Lockwood of San Diego, as per letter to the City Council dated February 27, 1916, herewith attached. In addition to the above cost, there is to be added the cost of rebuilding the Lower Otay Dam; i.e. between \$700,000 and \$800,000. The Bonita Pipeline has also been built at a cost in excess of \$200,000, which will materially increase the cost without in any way increasing the quantity of water, so that it is safe to assume, and we can prove, that every drop of water delivered to the city limits of San Diego costs in excess of 20¢ per 1000 gallons.

We furnished the City of San Diego nearly \$60,000 worth of water up to July 1, 1916, after the breaking of Lower Otay Dam, and would have been glad to continue to supply them with water, but the city officials refused to buy after that date. Since then we have made every attempt to sell the City of San Diego, and have met with a flat refusal.

We offered to sell the City of San Diego water at 6¢ per 1000 gallons during the winter of 1916, while the San Diego River was running, but the above offer was rejected. This offer was a verbal one to City Manager Lockwood.

After the war started, the State Railroad Commission gave us authority for the duration of the war to sell surplus water at any price we saw fit. On April 30, 1917, as per exhibit herewith attached, we offered the City of San Diego water - all that they wanted up to 6,000,000 gallons daily at 3 1/2 ¢ per 1000 gallons. This offer was rejected. On May 2, 1917, we renewed the offer and same was rejected.

On June 21, 1917, we were asked to submit another offer, at 3 1/2 ¢ per 1000 gallons for flood waters, or 7¢ per 1000 gallons for water properly certified and drawn from our reservoirs. This offer was also rejected, as per exhibit herewith attached.

On July 5, 1917, as per exhibit herewith attached, we made an offer to furnish all the water necessary to Camp Kearney, the price to be 10¢ per 1000 gallons - but we agreed to refund each month to the City of San Diego one-half of all collections made from the sale of water to the cantonment, until such time as the City of San Diego was refunded the actual cost of the installation of the pipeline to Camp Kearney, plus 5% interest. In other words, we were offering to sell the water at 5¢ per 1000 gallons to the City of San Diego, and the city was allowed to collect 10¢, until such time as it was fully reimbursed, with interest, for any expenditure made in connection with the City's pipeline to Camp Kearney, which cost approximately \$80,000. This offer was rejected.

On July 10, 1917, we wrote City Manager F. H. Lockwood again on the subject, as per exhibit herewith attached.

On August 31, 1917, we wrote a personal letter to three members of the City Council, Messrs Bard, Bacon, and Bruschi, constituting a majority of the Council, again informing them that we would be glad to furnish water at 6¢ per 1000 gallons, which the City was furnishing to Camp Kearney, thereby giving them 4¢ per 1000 gallons profit. This also was rejected.

The City Attorney of San Diego, Mr. T. E. Cosgrove, so we were told was opposed to the city buying any water from the Cuyamaca Co., at all, and his reason was that it might be recognizing the Cuyamaca Water Company's rights of ownership to the waters of the San Diego River, who claims that the City of San Diego owns the water of the San Diego River under a pueblo right. However, the previous City Attorney, Judge Andrews rendered an opinion to the city denying the validity of said pueblo right.

To overcome City Attorney Cosgrove's objection on the question of pueblo ownership, on October 17, 1917, we wrote the Honorable City Council, as per letter herewith attached, agreeing to stipulate that neither party recognized the other's ownership to the waters of the San Diego River, and accepting the same condition which was inserted by City Attorney Cosgrove in several other contracts with the Cuyamaca Water Co., when water was being furnished by us to the City. This offer was rejected, and every time we were told that the City of San Diego had a sufficient supply and would not consider buying from the Cuyamaca Water Co.

Early in January, in the San Diego Union, was printed a statement given out by City Manager Fred. M. Lockwood, of the City of San Diego, who took Lieut. Earl Spencer of the U.S. Navy and Major G. W. Decker, Sanitary Officer of Camp Kearney, over the City of San Diego's water system. City Manager Lockwood is authority for the statement that these officers were satisfied with the supply of water for the City of San Diego, and also gave out the following statement:

"At the close of December, 1916, the water measurement in Morena Dam was 140.4 feet. At the close of December, 1917 it measured 139.45 feet, showing a decrease of only .95 of a foot."

Morena Dam, at 140 feet, holds between 12,000,000,000 and 13,000,000,000 gallons of water. This also shows that the total draft on the city's system for the year 1917, including serving of water to 30,000 or 40,000 men at Camp Kearney has only slightly decreased the water supply on hand for the last year, and the records show that the entire use of water for the year 1917 with Camp Kearney established has not increased the use of water over the years 1915 and 1916, when our World's Fair was open. In other words, the city's reserve has not been lowered during the last year, with the emergency added of Camp Kearney, and its 35,000 soldiers, taking between 1,000,000 and 2,000,000 gallons daily.

4th: There are other sources available from which the City of San Diego can increase its water supply at much less expense to the City than the building of El Capitan Dam.

(a) It can get through the Cuyamaca Water Company at rates established by the State Railroad Commission, immediately, approximately 4,000,000 gallons of water, daily, the year around, with delivery to commence on 24 hours notice. This is approximately one half the total consumption of water from the City of San Diego's system, and within less than two years from date it can be increased to six or seven million gallons daily if the City desires it, for the Cuyamaca Water Company is ready to construct a dam at the Diverting Dam at the head of our flume which will control the total flow of the San Diego River at that point. The cost of same will probably not exceed \$300,000 to \$400,000.

The predecessors of the Cuyamaca Water Company, the San Diego Flume Company, filed on all the waters of the San Diego River, thirty years ago, and this Company has since that time continuously diverted over 50% of the entire flow of the San Diego River, at our point of diversion.

On June 1, 1910, when we purchased the Cuyamaca system from the San Diego Flume Company, we again filed on all the waters of the San Diego River, and have continuously prosecuted the work with due diligence, spending in development work \$500,000 or \$600,000 in protecting our water filings.

We claim that we own all the water of the San Diego River at our points of diversion to the extent of the maximum amount that we have ever diverted; that our water filings on the balance of the San Diego River, filed June 1, 1910, the day we purchased the system, are valid, as we believe we can prove in Court that we have used due diligence in prosecuting the work, as we have spent at least \$500,000 to \$600,000 in developing the system since that time, and until the Court of last resort, the Supreme Court of the United States says otherwise, we shall maintain our rights to the best of our ability. It goes without saying, that if our filings are good there will be no appreciable amount of water to be obtained by the City of San Diego by building El Capitan Dam a few miles below our intake.

We respectfully call your attention to the fact also that by building our proposed dam on the San Diego River at the head of our flume, the land of no Indians will be flooded and the Indians will not have to be moved. Any Government engineer will unquestionably coincide with our view that we have the logical dam site; that bedrock is near the surface and the dam can certainly be built there for not to exceed \$300,000 or \$400,000; while at the El Capitan site selected by the City, the City Engineer of San Diego, Mr. Cromwell, stated under oath that he did not know how far it is to bedrock; and as a matter of fact it has never been determined. To the best of our knowledge there is no bedrock in sight at 90 feet.

(b) Another source of water supply available to the City of San Diego, is by the construction of Barrett Dam, owned by the City of San Diego. According to official records, there is continuously a wastage of approximately 3,000,000 or 4,000,000 gallons daily running to the ocean past this site, which can be conserved by the construction of a dam costing not to exceed \$300,000 or \$400,000.

(c) The City of San Diego has pumping plants installed and can pump water from the San Diego River continuously,

according to the statement of the city officials, to the amount of at least 4,000,000 gallons daily, at a cost of not to exceed 4.5¢ per 1000 gallons, delivered to the city's reservoirs. Yet the City of San Diego has not seen fit to operate any of its pumping plants for the last year, although they can be put in operation on five hours notice.

(d) In addition thereto, the City of San Diego owns the Marron Damsite on Cottonwood Creek, from which a large amount of water can be developed.

(e) It has been reported by the City Manager that for \$300,000 or \$400,000 several million gallons of water daily can be developed from the pumping plants of the Tia Juana River.

(f) There is a movement on foot among the business men of San Diego to father the organization of a municipal Water District, including the City of San Diego and our suburban section. The idea being to secure a comprehensive development of the entire water sources of San Diego County. A committee of five of our most prominent citizens has been selected to formulate a plan for the organization of the above district at an early date. This committee is negotiating with William G. Henshaw, owner of the Volcan Land & Water Company system, with the idea of having the proposed Municipal Water District acquire the said Volcan Land & Water Company system. The Volcan Land & Water Company controls the waters of the San Luis Rey and Santa Ysabel Rivers, and five of the most prominent engineers in the State have determined the net safe yield of water of said system to be over 35,000,000 gallons daily. This water can be delivered, according to their opinion, to the City of San Diego at a cost of not to exceed 6.5¢ per 1000 gallons.

Certainly this shows that there are available many other sources of supply of water for the city without taking away, through the construction of El Capitan Dam, the only source of supply available for the development of the suburban section of San Diego, including the La Mesa and El Cajon territory, now being supplied by the Cuyamaca Water Company.

5th: The fact is that the Secretary of the Interior rejected the original application of Hamilton to flood the Indian lands. Afterwards the City of San Diego was assigned the Hamilton application, and the Secretary of the Interior allowed the case to be reopened. The Secretary of the Interior, however has not seen fit to grant the City's application, but instead asks Congress to assume the responsibility.

Any attempt on the part of the City of San Diego to construct a dam at the El Capitan site will immediately start litigation which will continue for years, not alone with the Cuyamaca Water Company, but with all the riparian owners for twenty-five miles below the El Capitan dams site to the ocean. The City of San Diego has not acquired any riparian rights below the dam whatsoever, excepting by the purchase of a few hundred acres of land within approximately one mile of the ocean, where the City has pumping plants now installed.

The City of San Diego never has proven in court that it has any water rights whatsoever on the San Diego River, pueblo rights or otherwise, and until such time as the City can show to Congress that it has any rights, the owners of the Cuyamaca Water Company feel that it is the gravest injustice

to the Cuyamaca Water Company for Congress to grant the petition of the City of San Diego permitting them to flood the Indian lands. The claim of the City that it owns any rights on the San Diego River, by virtue of its so-called pueblo rights, is unquestionably a myth, as we shall be able to prove in due course of time in court. The facts are that the City of San Diego, in deeding its pueblo lands, so-called, to private owners, along the San Diego River, specified particularly in its deeds:

"Together with any and all water rights appertaining thereto"

The records show that until the present City Attorney of San Diego set up claim of the ownership of the waters of the San Diego River, since the pueblo of San Diego was formed there is no court record to show that the City of San Diego ever claimed any such right; and, as stated before, Judge Andrews, the former City Attorney, went into the case very thoroughly, and definitely decided that the City of San Diego had no claim whatsoever to any of the waters of the San Diego River through its so-called pueblo rights.

6th: By Act of Congress in 1894, these lands were set aside for the Indians, to be delivered to them free and clear of all encumbrance at the end of twenty-five years. The Indians have divided up the land or parts of it, unofficially, to different families. It is hard to believe that these Indians now want to be moved. If they do not want to go, then another case as described in Helen Hunt Jackson's "Ramona" will be enacted.

7th: The records in this case show that H. F. Palmer, Assistant Engineer, United States Indian Service, testified as follows:

That below El Capitan dams site the total area of riparian lands now being irrigated is 3005 acres; the total lands riparian to the stream and entitled to water to be 10458 acres. The above lands the City of San Diego must acquire either by cutright purchase or condemnation before El Capitan Dam can be built.

Said Palmer also testified that the records show the net safe yield of the El Capitan dams site, covering a period from 1891 to 1913 inclusive, averages 3,157,000,000 gallons annually.

At the time said Palmer testified on behalf of the Government, Murray Dam was not built. Murray Dam, a concrete structure 900 feet in length and 100 feet in height, is now completed by the Cuyamaca Water Company. Its capacity is

2,200,000,000 gallons, while La Mesa Lake, which was built when Mr. Palmer determined its net safe yield, only has a capacity of 450,000,000 gallons. Murray Dam was built 100 feet below the La Mesa Dam, so La Mesa Dam, so-called, is now eliminated. By the construction of Murray Dam our storage capacity is increased 1,750,000,000 gallons annually in excess of the storage capacity completed when Mr. Palmer made his determination of net safe yield. That being the case, and Mr. Palmer's net safe yield at El Capitan damsite being 3,157,000,000 gallons, by deducting our additional storage capacity of Murray Dam the result is only available as a net safe yield of El Capitan damsite at the present time, a total of 1,407,000,000 gallons instead of Mr. Palmer's original net safe yield of 3,157,000,000 gallons.

Under the new conditions, the net safe yield having been reduced nearly 50% the feasibility of the El Capitan project is reduced to that extent, and no engineer in his right mind, under the existing conditions, would recommend at the present time the building of El Capitan dam.

And finally, we wish to say: We have spent between \$25,000 and \$30,000 to date in litigation in this case. The whole thing originated in the mind of one C. T. Sackett, a discharged employee of ours, who in leaving, hypothecated for his own use, and never returned, all surveys and original data of every kind and description, paid for by us while he was in our employ, including all records we had of the possible dam sites on the San Diego River, including the El Capitan site.

We are of the opinion that the filing never was made in good faith, and the testimony shows that, to be charitable, it was only a promotion scheme, if not blackmail; that the filings were assigned to an attorney of Sackett's for his services in the matter; that they were given to the City of San Diego free of charge; that the City of San Diego with its prestige is trying to make good what we consider as a fake water filing.

The Cuyamaca Water Company is now in court with clean hands. We know that the San Diego Flume Company and its successors, the Cuyamaca Water Company have for over thirty years furnished to the U. S. Government any amount of water the Indians on the reservation desired, up to 40 miners inches, free of all expense, and has lived up, in every particular to its obligations with the United States Government; that through this arrangement the United States Government has received great benefit through the investment of the Cuyamaca Water Company, and its predecessors, and if the Cuyamaca Water Company development had not been made, the U. S. Government would, of necessity, have been compelled to spend great sums of money in development of water for the Indians; that the original owners of the Cuyamaca Water Company lost over \$1,000,000 in its original investment; that the property was taken over by the bondholders, who never received but 15¢ on the dollar; that the present owners of the

Cuyamaca Water Company have not, since June 1, 1910, the time we took over the system, ever received a dollar in dividends or profit, directly or indirectly, of any kind or description. In addition, they have hardly made operating expenses, but have had the courage of their convictions, and have invested today approximately \$1,000,000 in said system. We feel that no graver injustice could be done than to grant the petition of the City of San Diego, for it means added litigation and endless expense; that until the City of San Diego can show through court proceedings that it has any water rights of any kind or description on the San Diego River, the City's request should not be granted, in justice to the owners of the Cuyamaca Water Company. The Secretary of the Interior once rejected the Hamilton application and the only reason the Secretary of the Interior gives for advocating the passage of this Bill is on account of assuring a safe water supply for Camp Kearney. As this is the only reason given for the passage of this Bill, we are willing to obligate ourselves to furnish the City of San Diego any surplus water they desire, for many years to come, at as low a rate or a lower rate than those established by the State Railroad Commission of the State of California, under whose jurisdiction and control the Cuyamaca Water Company is compelled to operate. The passage of this Bill puts a cloud on the title of the water rights of

the Cuyamaca Water Company, as there is not enough water falls below the Company's intake to warrant the construction of El Capitan Dam. It is the intention of the City of San Diego to claim water which falls above our intake, and now passes over our diverting dam, when said diverting dam is full. We give you the positive assurance that if this Bill is not passed at this session of Congress, that we agree to commence at once, and complete within eighteen months the building of a necessary dam at the diverting dam or at a suitable point nearby, same to be of sufficient height to control, for all practical purposes all the water of the San Diego River.

Which would you rather see done, the dam built by private capital immediately and under the control of the Commissioners of the State of California, who make all rates at which we shall sell water, as well as the price at which we shall sell our water system? Or would you prefer a "prospect" (not even a promise, mind you) of San Diego City, within eight years building same, as per House Bill 4037, now before you?

Please take note that San Diego, according to the provisions of the bill, does not even have to commence work within five years from date of passage.

The passage of this bill would make it impossible for the Cuyamaca Water Company to issue and sell bonds for the completion of its project, which would be a great calamity to the territory now dependent upon our system for its supply of

water (as there is no other source available; that the highest use water can be put to is a domestic use; that the Cuyamaca Water Company is today furnishing a supply to three cities outside the city limits of San Diego and over half the total amount of water being furnished is within the suburbs of the city of San Diego, and within not to exceed five years will be considered wholly domestic water, while within the eight years given for the completion of the El Capitan Dam it will practically all be considered domestic water; that this being the case, the Cuyamaca Water Company is putting the water to equally as good and beneficial use as ever the City of San Diego ever will. The City of San Diego is furnishing large amounts of water for irrigation use at the present time, as well as domestic supply.

The owners of the Cuyamaca Water Company are of the opinion that the attempt being made by the City of San Diego to secure the passage of H.R. Bill No. 4037 is wholly a case of personalities, as well as an attempt to force the sale of the Cuyamaca Water System for a nominal sum to the City and block any further development of said system by the owners of the Cuyamaca Water Company. No greater injustice could be done than to allow a municipality in this manner to use its influence and prestige to crush private investment that has had the courage under most adverse conditions to put up the necessary money for the development of water -- the most vital factor in the growth and development of San Diego County.

We are positive that the passage of this Bill by Congress will retard the water development of the rest of the San Diego River for many years, thereby working irreparable damage to the whole community. Therefore, we respectfully pray that your Honorable Committee will refuse to approve H. R. Bill No. 4037.

Respectfully submitted,

CUYAMACA WATER COMPANY,

by

Manager.

EXHIBIT A

Copy of Letter from Cuyamaca Water Company,
San Diego, Cal. January 16, 1918.

Col. Ed Fletcher, Manager,
Cuyamaca Water Company,
Office.

Dear Sir,

I beg to hand you herewith statement showing Receipts and Maintenance of Operation Expenses for period from June 1, 1910 to November 30, 1917.

There have been no dividends whatsoever paid or any interest or Accrued Depreciation included in these figures which only cover actual Maintenance and Operating.

Yours very truly,

Cuyamaca Water Company,

Lou B. Mathews,

Secretary.

LBM/bm

C U Y A M A C A W A T E R C O M P A N Y

S t a t e m e n t

of
Receipts and Maintenance and Operating Expenses
June 1, 1910 to November 30, 1917.

Year		Maintenance & Operation Expenses	Receipts	Gain or Loss
1910	7 Mos	13654.00	17598.00	3844.00
1911	12 "	29953.00	24136.00	- 5817.00
1912	"	41427.00	29597.00	- 11830.00
1913	"	40305.00	24641.00	- 15664.00
1914	"	59903.00	52299.00	- 7604.00
1915	"	60563.00	83551.00	22988.00
1916	"	80866.00	100268.00	19402.00
1917	11 "	46275.00	52787.00	6512.00
		<u>372946.00</u>	<u>384877.00</u>	<u>-11931.00</u>

Note: From June 1, 1910, to December 3, 1914, no charges were made on the Company's books for accrued Depreciation.

Beginning January 1, 1915, these charges were made monthly, in accordance with carefully compiled estimates of actual annual depreciation based principally on valuations of the property in which the average annual depreciation has been very carefully computed.

State of California)
County of San Diego) S.S.

Lou B. Mathews, being first duly sworn, deposes and says: That he is the Secretary of the Cuyamaca Water Company; that he has read and examined the foregoing statements and knows the contents thereof; and that the same are true of his own knowledge and belief.

Lou B. Mathews.

Subscribed and sworn to
before me this sixteenth
day of January, 1918.

S. R. Hofflund

Notary Public in and for the
County of San Diego, State of
California.

Notary's
Seal.

My Commission Expires September 12, 1921.

EXHIBIT A, No. 3.

EXHIBIT B.

H. L. Moody
Auditor and Assessor
Office
N.E. Corner Third & G Sts.

Clifford K. Stout,
Chief Deputy Auditor
C. E. Ellsworth,
Chief Deputy Assessor

CITY OF SAN DIEGO, CALIFORNIA

December 17, 1915.

Mr. Ed: Fletcher,
San Diego, California.

Dear Sir:-

Complying with your request of even date beg to advise that the present bonding margin of the City is \$1,643,237.29, based on real estate personal and improvement assessment values for the present year in the sum of \$80,500,000

Yours truly,

(Signed) H. L. Moody,
Auditor.

EXHIBIT B.

The San Diego UNION, Saturday morning, January 12, 1916

"The City Assessor has placed a value on the combined real estate improvements and personal property, of \$85,050,558.00, while the County Assessor values the same property at \$53,670,101.00: a difference of about 60%."

EXHIBIT C

April 30, 1917.

To the Honorable Mayor,
and Common Council
of the City of San Diego.

Gentlemen:-

There are at least seven or eight thousand acres of tillable, uncultivated lands, in acreage and lots, within the city limits of San Diego, and directly tributary to the city's distributing system.

To encourage the growing of food products, I trust that the City of San Diego will make a low rate for water during the term of the war.

On the authority vested in us by the decision of the State Railroad Commission, Case No. 1075, we submit the following offer:

We will furnish you surplus water up to 6,000,000 gallons daily, so long as we have it, delivered into the city's mains, at three and one-half cents ($3\frac{1}{2}\text{¢}$) per thousand gallons, instead of the established rate approved by the State Railroad Commission of ten cents (10¢). This price to hold good for the duration of the war, as an emergency rate, and subject to a contract being made mutually satisfactory and protecting all parties in interest.

Respectfully submitted,

Cuyamaca Water Company,

By (signed) Ed Fletcher,

Manager.

F-S

Copy

EXHIBIT D

COPY

EXHIBIT F

June 21, 1917.

Mr. F. M. Lockwood,
Manager of Operations,
City of San Diego,
San Diego. Calif.

Dear Sir,

Answering yours of the 20th will say our offer of three and a half ($3\frac{1}{2}\text{¢}$) cents per thousand gallons to the City of San Diego was made as an incentive to increase the production of food products, and based on the theory that the City of San Diego would make a like reduction to the Citizens of San Diego. Our offer was refused, and no reduction made by the City of San Diego to its consumers.

Please do not take the above as a criticism.

My understanding is that the City of San Diego is selling water to the U. S. Government at 10¢ per thousand gallons with an estimated amount to be used of 2,000,000 gallons daily. This means that if we sell our water at $3\frac{1}{2}\text{¢}$ per thousand gallons, the city of San Diego makes a profit of the difference.

As the Cuyamaca Water Company has never paid a dividend, nor even paid operating expenses to date, and as the interests I represent are turning over between 4000 and 5000 acres of land to the U.S. Government, on the Linda Vista Mesa, free of charge, we do not feel we are obligated to sell water to the City of San Diego at less than cost, that the City may make a profit on the sale of same--particularly as the cost of the City's gravity water, according to your report to the City Council of February 23, 1917, delivered at the City limits, is 19¢ a thousand gallons.

We would like the business, however, and will install our chlorination plant and deliver our surplus certifiable water satisfactory to your Health Officer, up to 2,000,000 gallons per day, at seven cents (7¢) per thousand gallons, as a war measure, for the duration of the war.

If we could be assured that the City of San Diego would take water from us from the first of January until the first of July, water that we would not have to draw from our storage reservoir, we would be willing to furnish this water during that period to the city, as a war measure, for the duration of the war, at three and a half cents ($3\frac{1}{2}\text{¢}$) a thousand gallons, but cannot afford to withdraw our storage water at less price than seven cents (7¢) per thousand gallons. If the City of San Diego

EXHIBIT F

page 2.

could see its way clear to take five or six million gallons of water from us daily during the winter season, it would warrant us in putting our old pipeline in first class condition and would be an added factor of safety to the water supply of San Diego.

If the City is interested, I should be glad to have a conference with you, at your convenience, so that a contract can be drawn up protecting both parties in interest.

Respectfully submitted,

CUYAMACA WATER COMPANY,

(signed) Ed Fletcher,

Manager.

F-S
BK
1-14-18.

EXHIBIT F.

COPY

July 5, 1917.

Honorable Mayor and City Council,
San Diego. Calif.

(Copy to City Manager Lockwood)

Gentlemen,

In relation to our furnishing water to the Linda Vista Cantonment, will say we appreciate your taking us into consideration, and submit the following offer:

We shall be pleased to furnish any amount of water up to 2,000,000 gallons daily, to the cantonment, said water being certified by your health officer, Dr. Banks; the price to be ten cents per thousand gallons, delivered to the cantonment; and we will refund monthly to the City one-half ($\frac{1}{2}$) of all collections for the sale of water to the cantonment until such time as the city is refunded the actual cost of the installation of the pipeline, plus five per cent (5%) interest on the amount of money invested, the city to make the proper connections with our system.

We believe that we can place the water on the Linda Vista Mesa at an elevation of from 425 to 500 feet, from Murray Dam, by gravity, and later on, from our flume direct at 500 feet.

If neither of the above propositions are satisfactory, we will sell the city water at six cents a thousand gallons, metered at the city limits, certified water, and with sufficient head to put the water to a 425 or 450 foot elevation on the Linda Vista Mesa.

This reduction of price is made for the duration of the war, for the cantonment alone, and is a war measure, based on the authority given us by the State Railroad Commission to sell water at reduced rates. Any water we furnish now will be withdrawn from our reservoirs. The price which we offer you is less than actual cost.

Very sincerely yours,

CUYAMACA WATER COMPANY,

(signed) Ed Fletcher,

Manager.

EXHIBIT G

COPY

July 10, 1917.

Mr. F. M. Lockwood,
City Manager,
San Diego. Calif.

My dear Mr. Lockwood,

Before leaving for the mountains Monday, I sent a letter to the City Council, in care of Dr. Bard, at his request, as he said there was to be a conference. I instructed a copy of the letter to be sent to you, but there was an oversight, and I understand you did not receive it. Enclosed herewith find copy, and if interested, I will be glad to take this matter up with you at any time.

I assume, of course, that the city's pipeline will be put in first-class condition free from leaks, as it is a new pipeline, and that it will stand the pressure. In case the city does decide to accept our proposition of taking over the pipeline, it is understood that a contract mutually satisfactory and protecting both parties in interest will be drawn up.

My understanding from one of the councilmen was that the City was only obligated to deliver the water to the cantonment grounds at an elevation of three hundred fifty feet. Since then I have been informed by Dr. Bard that the elevation is four hundred eighty feet. This would require an extra pumping cost. Would you kindly write a letter letting me know all the facts. My understanding is that the Government is to pay 10¢ a thousand gallons for what water they use, and that the demands are not to exceed 2,000,000 gallons daily. Is this correct?

Very truly yours,

CUYAMACA WATER COMPANY

(signed) Ed Fletcher,

Manager

EXHIBIT H.

COPY

August 13, 1917.

Messrs. Bard,
Bacon and
Bruschi.

San Diego. Calif.

Gentlemen:-

I regret that the City officials of San Diego have not realized the situation and taken advantage of our offer to sell water to the City. I do not feel under any moral or legal obligation to sell the city any water whatever, at the present time; but I do consider it almost criminal that the City Council of San Diego cannot see the point; i.e., that the Cuyamaca Water Co. is going to dispose of its surplus water, and if it cannot sell it to the City it is going to sell it for irrigation. Once this water is attached to lands and used for irrigation purposes it can never be taken away. We are every month attaching water for irrigation purposes to new lands. Every drop of water sold for irrigation purposes for new lands reduces to just that extent the amount of water that we can furnish to the City of San Diego, and within the next few weeks we shall probably dispose of all our surplus water.

You can readily understand that we are not going to furnish water to the City and take a chance of suit for damages from our consumers. If it comes to a point where we are taking any chances, we will force the City of San Diego to put up a satisfactory bond to protect us, before the City will get any water from this system. I am thoroughly convinced that a series of dry years are ahead of us, and that this condition will arise in the near future, with the

EXHIBIT I page 1.

growth of our City and the added demands for the cantonment.

If the City of San Diego wants to make a contract with us, for one or two million gallons of water a day for the next twelve months or two years, at six cents (6¢) a thousand gallons, delivered to the city limits, we securing from your Health Officer, Dr. Banks, a proper certificate as to the quality of the water, I am willing to recommend that the Cuyamaca Water Co. take on an obligation of this kind. If the City of San Diego only wants to buy a small amount of water from us from time to time, the price will be ten cents (10¢) a thousand gallons, but the City cannot expect us to hold ourselves in readiness at all times to furnish the City with water, with no assurance of the sale of any water to the city.

It has been proven once that the Cuyamaca Water Co. saved the situation for sixty days, after the floods of 1916. If the fact that we are in position to take care of the City's needs in an emergency is not worth anything, the quicker we find it out the better, and we will dispose of our water elsewhere, but as a matter of insurance alone, in my opinion, the City of San Diego certainly should tie up our surplus water rather than have it attached to lands and be lost forever, except at a prohibitive figure.

I am sending a copy of this letter to a few of the citizens of San Diego. It is not my desire to make this letter public, but it is a frank expression from one man to another of the water situation as I see it.

Kindly treat this letter as wholly personal.

Yours very truly,
(signed) Ed Fletcher.

EXHIBIT I, page 2.

COPY

October 22, 1917.

Honorable City Council,
San Diego, Calif.

Gentlemen,

At a conference with the City Council, held on Thursday October 18th, it was unanimously agreed that there was to be a conference between City Manager Lockwood, Engineer Savage and myself, in relation to furnishing water to the Cantonment, the idea being to verbally agree, if possible, on some line of procedure, after which the Cuyamaca Water Co. would submit a written proposition.

City Attorney Cosgrove has seen fit, on his own initiative, to protest against making any arrangements with the Cuyamaca Water Co., claiming that the City would be jeopardising any rights it might have on the San Diego River. The same City Attorney has drawn up two or three contracts in the past with the Cuyamaca Water Co. to protect the City's interests, and there is no reason, unless it is Mr. Cosgrove's prejudice, why another contract cannot be drawn up protecting the City's interests.

We are, and always have been, ready and willing to furnish water to the City under a contract whereby the City waives none of its supposed rights in the San Diego River. The papers state that it was owing to the letter voluntarily written by the City Attorney that the City Manager and Hydraulic Engineer Savage did not keep their appointment on Saturday.

I will be pleased to discuss this matter with them, at any time that suits their convenience, but the Cuyamaca Water Co. does not feel bound in any way to furnish water to the City or the Cantonment from this date, and if the Cuyamaca Co. can dispose of its surplus water to outsiders on a satisfactory basis, it will do so.

Respectfully submitted,

CUYAMACA WATER COMPANY,

by _____
Manager.

EXHIBIT J

C o p y

OPERATING DEPARTMENT

CITY OF SAN DIEGO, CAL.
MAIN OFFICE CITY HALL.

Feb. 23, 1917.

To the Honorable, the Mayor and the Common Council
of the City of San Diego, California.

Gentlemen,

Complying with instructions contained in
Resolution No. 22363, I am handing you herewith report
on the amount of water delivered to consumers outside
the city, with ratio of amounts to the whole. Also
cost of water from the impounding system to the
University Heights reservoir for the years 1915 and
1916.

Respectfully,

(signed) F. M. Lockwood

Manager of Operation.

FML/L

EXHIBIT K (page 1)

WATER DELIVERED TO OUTSIDE CONSUMERS (Gallons)

1916

Name	Locations	Gallons	Per Cent of Total Consump'n
S. D. Land Co	Upper Mesa	270,101	.00881
Piper's Ranch	" "	42,424	.00137
Echinique	" "	183,060	.00597
Coronado	Coronado Wye	76,451,070	2.4962
Broderick	Telegraph Canyon	481,237	.0157
S. D. County	Sweetwater Valley	28,914	.0009
Veneida Ranch	Bonita	167,364	.0054
Encanto	Encanto	18,537,993	.6052
Radio Station	Chollas Heights	852,521	.0278
David Ryan	East San Diego	451,635	.0147
Fairmont Co	" " "	7,237,035	.236
Total		104,703,354	3.418%

Total Water consumed 1916 - - - - - 3,062,678,406 gallons

During February, March, April and May, Coronado Water
was delivered at the foot of Market Street.

At the following places on the pipe lines, no water
was consumed during 1916:

Echinique	Telegraph Canyon
O.H.Savage	West of Encanto
L. B. Long	Encanto
E. G. Ebbe	National City
G. A. Miller	Vista & P Streets
W. A. Shaules	Bonita Pipe Line

GALLONS PUMPED

Mission Valley
557,771,000

Old Town
13,534,000

Coronado Water Co.
510,542,000

EXHIBIT K (page 2)

COST OF WATER DELIVERED AT UNIVERSITY HEIGHTS RESERVOIR, 1915.

Per 1000 Gallons.

Gravity water from impounding system	Pumped from Mission Valley	Purchased from Cuyamaca Water Company	Total Gallons delivered
1,735,918,071	841,241,000	191,238,126	2,768,397,197
Interest on 4,000,000.00 @ 4% 1915		176,781.25	
Interest on 520,196.07 @ 5% 1915		26,009.80	
Maintenance - - - - -		21,232.36	
Operation - - - - -		29,760.03	
Depreciation		76,001.54	
City water delivered			
1,735,918,071 Gallons - - Cost - - - -		329,784.98 =	.189 per 1000 gallons.

IMPROVEMENT OF SYSTEM SINCE DATE OF PURCHASE

Cottonwood Conduit - - - - -	-171,642.63
Pine Creek Intake - - - - -	46,044.83
Tunnels Dulzura Conduit - - - - -	9,575.99
Bonita Pipeline - - - - -	221,516.33
Lower Otay Seepage Pump - - - - -	5,587.81
Filtration Plant - - - - -	65,828.48

EXHIBIT K (page 3)

COST OF WATER DELIVERED AT UNIVERSITY HEIGHTS RESERVOIRS, 1916

per 1000 Gallons

Gravity Water from impounding system	Pumped from Mission Valley	Pumped from Old Town	Purchased from Cuyamaca Water Company	Totals Gallons Delivered
1,923,665,141	577,771,000	13,534,500	510,541,355.3	3,025,511,996

COST, MAINTENANCE & OPERATION IMPOUNDING SYSTEM, 1916

	Operation	Maintenance	Total
Labor	10,718.15	19,038.53	29,756.68
Material	48,378.55	7,915.54	56,294.99
	59,096.70	26,954.07	86,050.77
Interest on \$4,000,000.00 @ 4½% year 1916			171,281.25
Interest on 738,980.72 @ 5% " 1916			33,928.13
Operation - - - - -			59,096.70
Maintenance - - - - -			26,954.07
Depreciation - - - - -			76,001.54
Gravity water delivered 1,923,665,141	Cost	367,261.69	-19 per 1000 Gallons

The increased cost of Maintenance & Operation of the Impounding system in 1916 due to abnormal weather are shown in the following items:

Power purchased	13,724.86
Chemicals for purification	23,000.00
Repairs to Morena	5,943.84
Pumps & Sumps, Lower Otay	12,500.00
Repairs to telephone lines	2,088.94
	59,257.64

(This does not include flood damage of 1916 of \$260,000)
 (Rebuilding Bonita Pipeline - - - - - 220,000)
 (Rebuilding Lower Otay Dam- - - - - 700,000)
 \$1180,000)

(The above does not increase the supply of water. Ed Fletcher)

EXHIBIT K (page 4)

SECOND SECTION

Feb. 20, 1918

THIRTY-SEVENTH YEAR. WHOLE NO. 11,

WATER DEVELOPMENT PLANS ARE OUTLINED BY CHAMBER OF COMMERCE COMMITTEEMEN

My dear Senator:-

Enclosed herewith find copy of telegram sent to Senator H. L. Myers, Chairman, Public Lands Committee, also clipping from today's paper which is explanatory.

I sincerely trust no action will be taken in relation to Senate Bill No. 3646 until I can have a conference with City Attorney and the City Officials of San Diego. All I ask is a short delay, for I believe a compromise settlement can be made satisfactory to all.

Yours very truly,

CUYALACA WATER COMPANY.

By

Manager.

Encl.

Letter sent to

- Hon Marcus A Smith
- Hon Key Pittman
- Jos. E. Ransdell
- George E Chamberlain
- Charles L. McNary
- James D Phelan
- John F. Shafroth
- Andrius A Jones
- John B Kendrick
- Frank B. Kellogg
- George W Norris
- Albert B. Fall
- Thomas Sterling
- Edwin S. Johnson
- Reed Smoot

Here's the program presented by the special sub-committee appointed from the special water committee of the chamber of commerce and unanimously endorsed by that committee at the meeting held yesterday afternoon at 4 o'clock.

(1) Enter into a contract with the Volcan company at once for the purchase of 5,000,000 gallons daily at 10 cents, to be delivered at the city limits.

(2) Build the Barrett dam to a sufficient height to store five billion gallons at the earliest possible date.

(3) Build a dam in the gorge of the San Diego river at a cost of \$750,000.

(4) Raise the water rate to consumers from 10 cents to 15 cents per 1000 gallons.

(5) Keep the San Diego river pumping facilities in first-class shape while this work is going on.

REPORT IN FULL

The admirable report of the special sub-committee was read by Julius Wangenheim, and is as follows:

"Your committee, appointed to consider the question of procuring an additional water supply for the city of San Diego begs leave to report as follows:

"The city is confronted with two conditions: First, the necessity for an additional water supply to supply its present and future needs. Second, the inability of the city to increase its bonded indebtedness to any extent for that purpose or for any other purpose at this time.

"Having these two conditions in mind, we make the following suggestions:

"First, that the city enter into a contract for a reasonable period with the Volcan Water Co. for the delivery of 5,000,000 gallons per day at the rate of 10 cents per thousand gallons, commencing as soon as the system is completed for that purpose, to be not later than July 1, 1920, said water to be delivered at the city line on the Linda Vista mesa, the city to have absolute assurance of prior right to water supply with an additional proviso in the contract that the city shall have the right to contract for an additional 5,000,000

is going on, the pumping facilities from the waters of the San Diego river should be kept in first-class condition for emergencies, and to furnish additional emergency supplies; as an additional auxiliary, provision should be made for the installation of a pumping plant at Tijuana river for due protection in the event of damage to any or all of the city reservoirs, and for additional supply, should emergency demand. Provision should be made at once for the securing of suitable land for that purpose, and, whenever circumstances warrant or demand, for installing pumping plant and pipe line.

WATER RATES

"We recommend that the water rates be raised next February from 10 cents per 1000 gallons to 15 cents. The necessity for this is patent when it is recognized that the actual cost of water to the city is in the neighborhood of 20 cents and that the deficit must be made good through taxes to pay the interest and sinking fund on bonded indebtedness. This consequent raising of our tax rate is detrimental to our growth, is unbusinesslike and unjust. Furthermore, there should be sufficient revenue in the water fund to provide reasonable extensions and repairs on the system, and not to oblige us to resort every little while to successive bond issues.

"However, the placing of the entire burden on the water consumers alone would neither be fair nor just, inasmuch as the city, at large expense, has laid and is laying mains and supply pipes in the various sections of the city through which at some time in the future vacant property is to be supplied with water, thereby greatly enhancing the value of said property. Those who use the water are to a large extent paying the bills, while those who do not use the water are profiting by the large expenditures of the city in building both the distributing and supply systems. We, therefore, recommend that a 'readiness to serve' charge should be made against all property fronting on or contiguous to any city water mains at the rate of \$2 per year, based on a 50 by 100-foot lot, said to be collected at the same time the city taxes are collected:

gallons per day at the same rate and point of delivery at any time prior to actual work being commenced on the construction of the conduit leading to the San Clemente reservoir and work on said reservoir.

"Second, that as soon as sufficient funds are available the Barrett dam be completed to a sufficient height to store 5,000,000,000 gallons of water. The construction of this dam will be merely the completion of the present water system, and will prevent waste of flood waters caused by the insufficiency of the Dulzura conduit to carry said flood waters to the Lower Otay reservoir during the rainy season. This dam will cost about \$300,000, and the city will be able to expend this amount without increasing its bonded indebtedness, as it yearly pays off \$310,000 of its present bonds.

"Third as soon thereafter as funds are available for that purpose, that a dam be built in the San Diego river to conserve flood waters in the San Diego river. This dam would have an outlet of sufficient height to furnish water to the lower levels of the city, which are the largest consumers, and would also prevent the flooding of Mission valley, with its consequent destruction of property, including possible damage to the city, county and railway bridges. This dam could be built at an expense not to exceed \$750,000, and would store upwards of 10,000,000,000 gallons of water. The building of this dam should be the first step in the conservation and development of the waters of the San Diego river, and should be followed later by such development higher up as may be deemed advisable.

"Fourth, while this development

actual consumers of the water to be allowed a credit of the amount of said tax on their water bills. This arrangement would furnish a very considerable sum for the development of the water system and the burden would properly fall upon those who receive the benefit thereof, to-wit: upon the owners of unoccupied and unused property which is greatly increased in value by the completing of the system and who at present pay little or no part of the burden of maintenance. We believe that the suggestions herein contained when followed out will furnish the city of San Diego with an ample supply of water for its future growth for many years to come. Respectfully submitted,

"JULIUS WANGENHEIM,
"FREDERIC W. STEARNS,
"SAM FERRY SMITH,
"JOHN FORWARD, JR.,
"W. W. WHITSON."

DISCUSSION FOLLOWS

The discussion which followed the reading of the report was participated in by President W. S. Dorland of the chamber of commerce and chairman of the meeting, Julius Wangenheim, Sam Ferry Smith, Col. Ed Fletcher, M. F. Heller of the chamber of commerce water bureau, Horace Aughe, W. W. Whitson and Councilman John L. Bacon.

Mr. Heller expressed himself as very regretful at "the unfortunate action of The Sun" in printing the water story of Thursday night as he understood that no proceedings of the committee were to be published in any of the local papers until the committee finally reported to the council.

President Dorland said this was true, but that the article in question had been written by Mr. Porterfield of The Sun, who had been invited to become a member of the committee, but had been out of the city during all the proceedings and supposed that the story had been released.

Mr. Porterfield explained that he did not regard the story as in any way a report of "the proceedings of any committee," but merely a general story on water conditions and that as to the supposed "secret information" contained in such story that it was known to reporters on The Sun and had been known for months.

Councilman Bacon enthusiastically endorsed the report of the committee, stating that it was the best report of the kind he had ever heard. Col. Fletcher also endorsed it. Mr. Aughe expressed himself as opposed to building the dam at the gorge, favoring El Capitan rather, and Sam Ferry Smith said that El Capitan meant endless litigation.

The report will be presented to the council at once with the strong recommendation that action be secured at the earliest possible moment.

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-- Copy --

OPERATING DEPARTMENT

CITY OF SAN DIEGO, CAL
MAIN OFFICE CITY HALL

To the HONORABLE, THE MAYOR AND THE COMMON COUNCIL
OF THE CITY OF SAN DIEGO, CALIFORNIA.

Gentlemen:

Complying with instructions contained in
Resolution No. 22363, I am handing you herewith report
on the amount of water delivered to consumers outside
the city, with ratio of amounts to the whole. Also
cost of water from the impounding system to the
University Heights reservoir for the years 1915
and 1916.

Respectfully,

(S) F. M. LOCKWOOD

MANAGER OF OPERATIONS

FML/L

(1)

--- COPY ---

Water delivered to outside consumers (Gallons)
1916.

Name	Locations	Gallons	Per cent of total Consumption
S.D.LAND Co.	Upper Mesa	270,101	.00881
Piper's Ranch	" "	42,424	.00137
Echenique	" "	183,060	.00597
Coronado	Coronado Wye	76,451,070	2.4962
Broderick	Telegraph Canyon	481,237	.0157
S.D.County	Sweetwater Valley	28,914	.0009
Veneida Ranch	Bonita	167,364	.0054
Encanto	Encanto	18,537,993	.6052
Radio Station	Chollas Heights	852,521	.0278
David Ryan	East San Diego	451,635	.0147
Fairmount Co.	" " "	7,237,035	.236

TOTAL	104,703,354	3.418%
-------	-------------	--------

Total water consumed 1916 3,062,678,406 gallons

During February, March, April and May, Coronado Water was delivered at the foot of Market Street.

At the following places on the pipe lines, no water was consumed during 1916.

Echinique	Telegraph Canyon
O. H. Savage	West of Encanto
L. B. Long	Encanto
E. C. Ebbe	National City
G. A. Miller	Vista & P. Sts.
W. A. Shaules	Bonita Pipe Line

GALLONS PUMPED

Mission Valley	Old Town	Coronado Water Co.
557,771,000	13,534,000	510,542,000

(2)

COST OF WATER DELIVERED AT UNIVERSITY HEIGHTS RESERVOIR, 1915

per 1000 Gallons			
GRAVITY WATER FROM IMPOUNDING SYSTEM	PUMPED FROM MISSION VALLEY	PURCHASED FROM CUYAMACA WATER CO	TOTAL GALLONS DELIVERED
1,735,918,071	841,241,000	191,238,126	2,768,397,197
Interest on 4,000,000.00 @ 4% 1915		176,781.25	
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Operation		29,760.03	
Depreciation		76,001.54	
City water delivered 1,735,918,071 Gallons, Cost		329,784.98	= .189 per 1000 Gals.

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Filtration Plant	65,828.48

(3) of Report

COST OF WATER DELIVERED AT UNIVERSITY HEIGHTS RESERVOIR, 1916.

Per 1000 Gallons.

Gravity Water from Impounding System	Pumped from Mission Valley	Pumped from Old Town	Purchased from Cuyamaca Water Co.	Total Gallons delivered
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COST, MAINTENANCE & OPERATION IMPOUNDING SYSTEM, 1916.

	Operation	Maintenance	Total
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Material	48,378.55	7,915.54	56,294.99
	<u>59,096.70</u>	<u>26,954.07</u>	<u>86,050.77</u>

Interest on \$4,000,000.00 @ 4 1/2% year 1916	-	171,281.25	
" " 738,980.72 @ 5% " 1916	-	33,928.13	Bonds issued
Operation - - - - -	-	59,096.70	for improvements
Maintenance - - - - -	-	26,954.07	since date of
Depreciation - - - - -	-	76,001.54	purchase
Gravity water delivered 1,923,665,141 Cost		367,261.69	-- 19 per 1000 Gallons

The increased cost of Maintenance & Operation of the Impounding System in 1916 due to abnormal weather are shown in the following items:

Power purchased	13,724.86
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Repairs to Telephone Lines	2,088.94
	<u>59,257.64</u>

(This does not include flood damage of 1916 of \$260,000)
 (Rebuilding Bonita Pipe Line - - - - - 220,000)
 (Rebuilding Lower Otay Dam - - - - - 700,000)
 (The above does not increase the supply of water. -- Ed Fletcher)
 (1,180,000)

EXTRACTS FROM TESTIMONY GIVEN BEFORE THE
PUBLIC LANDS COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

...o...

to El Capitan

2. Mr. Raker: The contemplated dam at the point designated, if built to this height that you desire, or even higher, would it affect in any way this present ditch of the Cuyamaca Water Company?

Mr. Cosgrove: Not at all.

Mr. Raker: Then the whole thing summed up means this: that you are desiring to put a dam there intended to take the flood water that is now and has been for years going to waste?

Mr. Cosgrove: That is it, exactly.

Mr. Raker: Without interfering with their system, or their water claims or their prior rights or the rights of the people below?

Mr. Cosgrove: Exactly.

...o...

Mr. Cramton: If they should improve the system, or if this bill would pass, if they were able to make the improvements immediately, that would certainly add to the amount of water available for irrigation.

Mr. Cosgrove: Yes.

Mr. Cramton: You know of no reason why they should not, in any event, go ahead with that work?

Mr. Cosgrove: We would like to see that.

Mr. Elston: That thing undercuts, to a large extent, Mr. Fletcher's apprehension that your dam down there at the El Capitan site might interfere with the appropriated waters that he claims above; but the litigation he said was contemplated was more litigation that he might institute himself, than any litigation you might start?

Mr. Cosgrove: We have not any idea of starting any litigation against them. We want them to conserve all the water they can. If they want to increase the height of the diverting dam, we would be glad to help in any way to have them increase the height of that, because it is to our benefit to have this country back here cultivated, every acre of it. It is our back country.

Mr. Church: But he stated that if given eighteen months,

5-2

as I remember it, they proposed to build a structure there and a dam to take every bit of water.

Mr. Cosgrove. Yes.

Mr. Church. How would you be left there, then?

Mr. Cosgrove. Then, if they take every bit of water, there will not be any.

Mr. Church. Would you be satisfied?

Mr. Cosgrove. Yes, we would be glad to have them take all the water.

Mr. Church. There is no difference between you and them on that?

Mr. Cosgrove. There is no difference on that.

The Chairman. Amplify a little.

Mr. Cosgrove. Let me tell you something about their taking all the water; something about the specific geography of where they are located.

The Chairman. Let me make a suggestion. There is some doubt in my mind, and I think there is in the mind of the committee. If you build a \$2,000,000 dam at this site, if the Cuyamaca Water Company can build a dam above that and take all your water. Can they do that?

Mr. Cosgrove. No sir, they cannot do that.

The Chairman. Amplify that a little.

Mr. Cosgrove. In 1915-16, when we had practically a little above normal year, the amount of water passing the gauge station of the United States Geological Survey was 26,000,000,000 gallons. In other words, in one year this big reservoir here, in 1914-15, would be more than filled. It would be filled, ^{and} in addition to being filled it would run over. Now, that was in 1915-16. In January, 1916, we had a flood there that would have filled that reservoir five times over.

Mr. Taylor: You say you want to appropriate the surplus water after it passes them, that they cannot get and could not get under any system that is contemplated?

Mr. Cosgrove. Yes, sir; and the same way up here in the mountains; if they would build reservoirs we would be glad to have them. We are just as rich as that back country. Surely you can see the fallacy of this situation here. We want this Cuyamaca Water Company to build up their diverting dams, to build up their reservoirs here, and we want them to build the reservoirs themselves, but we simply want the privilege of stopping that water that rushes by and destroys the valley and rushes through the city and destroys our improvements. That is all we want."

GUYAMACA WATER COMPANY

SUCCESSORS TO

THE SAN DIEGO FLUME COMPANY

OFFICE: FLETCHER BUILDING

916 EIGHTH STREET, BETWEEN BROADWAY AND E

P. O. BOX 1412

ED FLETCHER, MANAGER
LOU B. MATHEWS, SECRETARY
C. HARRITT, SUPERINTENDENT

SAN DIEGO, CALIFORNIA. February 27, 1918.

Chairman Public Lands Committee
of the U. S. Senate, and the
House of Representatives.

Gentlemen:

Mass meetings have been held both in the City of La Mesa and Lemon Grove, both towns securing water wholly from the Cuyamaca system. The City Council of San Diego and deputy City Attorney and City Manager appeared at the La Mesa meeting and urged that no action be taken; but in both places the citizens unanimously voted resolutions endorsing the Cuyamaca Water Company's position, and enclosed herewith find clipping from the papers, which I am sure will be of interest.

Arrangements have been made to hold meetings in the City of El Cajon and at Bostonia and other points, and I am sure the feeling is the same. There is an unanimous sentiment against this bill of the City of San Diego being passed until such time as the City of San Diego by formal resolution approves of the voluntary statement made by the City Attorney to the Public Lands Committee that the City has no intention of interfering with, but will welcome, the construction of the diverting dams at our two points of intake.

The City Council will not act formally until the City Attorney comes back to San Diego, and I can understand that out of courtesy to the City Attorney their position is well taken. However, two of the City Council have already in public meeting voluntarily stated that they are in favor of giving their consent to the Cuyamaca Water Company's building our two diverting dams as desired, but it is not fair to us and it is not fair to the municipalities to whom we furnish water that this bill should pass until the City formally takes action in the matter, certifying to Mr. Cosgrove's statement that they will be glad to welcome, and will not by litigation attempt to hinder the building of our two diverting dams.

We have already spent over \$600,000 to protect our water filings there; it is the only source of supply for the municipalities and surrounding territory furnished by the Cuyamaca Water Company, and therefore we urge that no action be taken by your Honorable body until this matter is disposed of by the City of San Diego, and I am sure it will be in the very near future.

A surveying party is in the field and within a week or ten days bids will be asked for the construction of a concrete dam at our diverting dam intake, which will hold approximately 10,000,000,000 gallons of water, and I have every assurance that

the project is financed and that the dam will be completed within eighteen months from date, with the other diverting dam to be built immediately thereafter.

I have absolutely no objection to the building of El Capitan Dam below. The City Attorney has testified that their engineers say there is plenty of water for them even with our diversion dams built. We will withdraw all opposition to the bill and I will live up to my agreement to deed my interest in the El Capitan dam site and reservoir site free, if the City will only come through and agree to the statements made by the City Attorney before the Public Lands Committee of the House in relation to our building the Diverting Dams with the City's consent.

The City of San Diego is in no danger of a shortage of water, and it has a four or five years' supply on hand; we can furnish them any amount of water and will be glad to do so, on twenty-four hours' notice, as our system is connected up with theirs at the city limits of San Diego; and, as long as no emergency exists, certainly as an act of justice no harm is being done, and your committee can in all fairness let matters rest until a reasonable adjustment is made between the parties in interest.

Respectfully submitted,

CUYAMACA WATER COMPANY,

By.....*Ed Fletcher*.....

Manager.

F-S

December 11, 1916.

Honorable T. J. Walsh,
U. S. Senate,
Washington, D. C.

My dear Senator:

I want to call your attention to Senate Bill No. 5081 of the 64th Congress, First Session; also to the application before the Secretary of the Interior for right of way W. B. Hamilton, serial No. 014633, Los Angeles, California, City of San Diego, Assignee.

Also enclosed find copy of letter of my partner, to his friend Wm. R. Wheeler, which is fully explanatory.

The above matters are in direct conflict with the interests of the Cuyamaca Water Co. on the San Diego River, our system having been built and in operation for over thirty years.

My desire is that your secretary get in touch with Secretary Lane's secretary, so that you will be kept posted as to the proceedings in this matter. I particularly ask you to have your secretary keep in touch with the secretary of the Senate Public Lands Committee, in whose hands at the present time is Senate Bill No. 5081.

84
Senator Phelan introduced this bill, and has made several attempts to have it reported favorably from the Public Lands Committee.

Senator Works of Los Angeles is interested, and has been

of some assistance to us in keeping the bill in committee.

I sincerely trust that either your secretary or yourself will keep in touch with this bill, and when it comes up ^{will} be Johnny on the spot. Anything that you can do for us in this matter will be greatly appreciated.

I have read Mr. Fletcher's letter to Mr. Wheeler and can assure you that only the facts are stated.

Very sincerely yours,

CUYAMACA WATER COMPANY,

President.

WESTERN UNION

Form 2289

NIGHT LETTER

GEORGE W. E. ATKINS, VICE-PRESIDENT

NEWCOMB CARLTON, PRESIDENT

BELVIDERE BROOKS, VICE-PRESIDENT

RECEIVER'S No.	TIME FILED	CHECK

SEND the following Night Letter, subject to the terms on back hereof, which are hereby agreed to

February 25, 1918.

Hon. I. L. Lenroot,
Washington, D. C.

Mass meeting held Lemon Grove Saturday night. Most representative meeting held within five years in that town. They unanimously passed and sent telegrams to Chairman of each committee of Congress urging no action be taken that will conflict with building of dams at our intakes, as per voluntary testimony Mr. Cosgrove before your committee. See copy telegram sent chairman. Cosgrove advising City Council one thing and telling you another. We are willing to accept as a compromise the voluntary statement of Mr. Cosgrove before your committee. Please delay any action. See **important papers** being mailed today. Lemon Grove meeting presided over by Supervisor Dr. Good. Telegram signed by J. H. Halley President La Mesa, Lemon Grove and Spring Valley Irrigation District.

Cuyamaca Water Company

Ed Fletcher, Manager.

DAY LETTER
F-S

NIGHT TELEGRAM

February 21, 1918.

Congressman I. L. Lenroot,
Washington, D. C.

Mr. Wheeler telegraphs you have been put on sub-committee House Bill Four naught three seven. We are willing to make settlement this unfortunate controversy with city exactly on terms voluntarily stated by Mr. Cosgrove before ^{House} Public Lands Committee, and are notifying City Council of San Diego to that effect today. Mr. Cosgrove has not furnished City Council with the statement he made. Instead he has telegraphed as follows:

"February seventeenth

"Each member of Senate and House Committee has been petitioned in writing by Colonel Fletcher personally solicited by Washington associates to hold our bill in committee until he compromises the situation with the City Council. Strangely enough he attempts to implicate me as accessory in the movement. Such tactics unquestionably delay progress upon our bill. Wire Chairman House Land Committee that there is nothing to compromise with Col. Fletcher; there is no possibility of reaching understanding with him."

Also under date of February eighteenth, Mr. Cosgrove telegraphed the city:

"Nothing to compromise; agreement with Fletcher entirely impossible. Cosgrove."

It is on the strength of these two telegrams that the mayor and City Council wired, not knowing the facts as testified by City Attorney Cosgrove. On February twentieth, I received a telegram from Wm. H. Wheeler, reading as follows:

"Cosgrove assures me no action will be taken by City in opposition to your proposed claim, but thinks activities which would embarrass City might weaken public opinion, which would force council to act."

Cosgrove is telling the City of San Diego one thing and you another. We feel we have a right, in all fairness to urge that no action be taken on this bill until all facts are presented to City Council and action taken by them, for no emergency exists; we are

No. 2.

having heavy rains and San Diego is absolutely assured
a water supply for five years to come, at least, even
under normal conditions. Are mailing important papers.

CUYAMACA WATER COMPANY

By Ed Fletcher, Manager.

Night letter
Charge Cuyamaca Water Co.
F-S

*Answers to such resolutions
Public Lands Committee.*

May 29, 1918.

Honorable Andrieus A. Jones,
Public Lands Committee,
United States Senate,
Washington, D. C.

My dear Mr. Jones:

I mailed you last week a copy of the La Mesa Scout, showing the resolution unanimously passed by the City Council of La Mesa, endorsing the position of the Cuyamaca Water Company.

Enclosed herewith find clipping of the El Cajon Valley News, showing the resolution unanimously passed by the City Council of El Cajon. The attached resolution fully covers the situation, and I sincerely trust that you will take the time to read it. The entire back country is unanimously behind the Cuyamaca Water Company in its attempt to conserve the flood waters of the San Diego River.

Since returning home we have made all the surveys and definitely located the damsite; have brought suit to condemn the private lands that will be flooded outside of the Indian Reservation, and contracts are now being drawn with the riparian owners, giving their consent as well to the construction of the dam. We have already tentatively secured consent from the owners of over ten miles of riparian rights—the largest property holders along the San Diego River.

The City Council of San Diego have refused to stand by the City Attorney, Mr. Cosgrove, who made the statement that the City of San Diego would not oppose, but gladly see the Cuyamaca Water Company build its diverting dam at its intakes on the San Diego River no matter if it took all the water at the points of diversion. Until such time as the City Council of San Diego does live up to the obligation as made by the City Attorney, certainly, in all fairness, House Bill No. 10587 and Senate Bill No. 3646 should not be passed. When the City of San Diego does live up to the obligation as made by the City Attorney, the Cuyamaca Water Company will make no further objection thereto.

Very truly yours,

CUYAMACA WATER COMPANY,

By _____

Manager.

F:K

JOHN E. BAKER, CAL., CHAIRMAN,
EDWARD W. SAUNDERS, VA.,
FRANK CLARK, FLA.
BENJAMIN G. HILLIARD, COLO.
JAMES H. MAYS, UTAH.
CHRISTOPHER D. SULLIVAN, N. Y.
THOMAS L. BLANTON, TEX.
MISS JEANNETTE RANKIN, MONT.
FRANK W. MONDELL, WYO.
WILLIAM H. CARTER, MASS.
JACOB E. MEEKER, MO.
EDWARD G. LITTLE, KANS.
RICHARD M. ELLIOTT, IND.
MAE OFFTERDINGER, CLERK.

House of Representatives U. S.

Committee on Woman Suffrage

Washington, D. C.

May 29, 1918.

Mr. Ed Fletcher,
P.O. Box 1412,
San Diego, Cal.

My dear Mr. Fletcher:

Yours of May 22, 1918, enclosing
copy of the "La Mesa Scout", of date May 18,
1918, at hand.

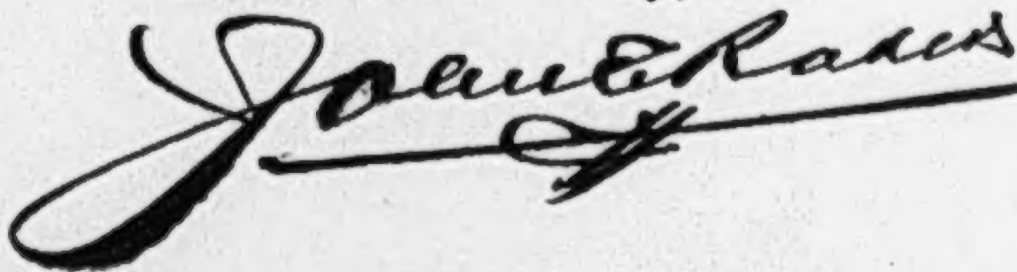
The matters referred to in this
article, together with the same in your
letter, will be considered in regard to the
legislation now pending to give the City of
San Diego a sufficient water supply.

It is the purpose of the Committee,
as I understand it, to have H.R. 10587
passed at the earliest date the House can
reach it.

As to the matters referred
to in your letter, they were disposed of I
understand by the Committee when the bill
was reported.

I am

Yours most truly,



JER/T

June 5, 1918.

Hon. John E. Raker,
Public Lands Committee,
House of Representatives,
Washington, D. C.

My dear Mr. Raker:

I am in receipt of yours of May 29th, stating that it is the intention of the House to pass H.R. No. 10587, at the earliest date that they can reach it.

I made the assertion before your committee that three municipalities and three towns, all dependent upon the Cuyamaca Water Co. for their source of supply for their future growth, were behind me in my presentation of the case to your committee, even although your chairman stated that he knew of his own knowledge that the cities of La Mesa and El Cajon were red hot in favor of the bill. Enclosed find copy of telegram to Wm. R. Wheeler, which shows that my statements were correct.

It is beyond me to understand how any man can support the City of San Diego's bill, knowing that the entire back country is unanimously opposed to the attitude of the City of San Diego.

All we ask is that the City Council of San Diego approve of the statements voluntarily made by their representative, Mr. Cosgrove, and assure us that the city will not oppose the development at the intakes of the Cuyamaca Water Company. Your answer is "The courts can protect the Cuyamaca Water Co."

My answer to that is: (1.) The City Attorney was intentionally attempting to camouflage the whole situation when he said that he was in favor of allowing us to build dams at our intakes. See pages 73, 74 and 75 of the official record. Before he left Washington, he telegraphed the City Council to make no compromise and pay no attention to me when I asked that the City Council, by resolution, approve of the attitude taken by the City Attorney.

(2.) We do not dare to proceed with the building of our dam, for we may be put in this position: That we can let a contract for the construction of the dam and get it half completed and then, by injunction by the city, be forced to litigate for five or six years, with a suit on hands for contractors profits, etc., and no sane man would put himself in that position.

In the meantime, what happens? The City cannot have the finances to develop this water for the next five or ten years, and neither can we do it, unless the city endorses the attitude taken by the City Attorney in his testimony before the Public Lands Committee. In the meantime, the back country needs this water development badly.

Negotiations are on now for us to furnish the government cantonment at Camp Kearny with water from the Cuyamaca system. We can give them a gravity supply of water, while the City has to pump it twice. Enclosed find letter from Major-General Strong, which is explanatory. Enclosed also find copy of telegram from the La Mesa, Lemon Grove and Spring Valley Irrigation District that will be of interest.

For \$400,000, the City of San Diego can build the Barrett Dam, for it owns the water sheds, dam site and reservoir site now, as

as well as the conduit into the city's distributing system, and by the building of this dam could conserve almost as much water as they could by the building of El Capitan, at a cost of \$3,000,000. Why take away this back country's only source of supply?

I urge you to see that no action is taken on H.R. 10587 until such time as Secretary Lane returns and makes his decision as to whether or no we shall be allowed to build our major dam just above the Indian Reservation and our point of intake.

Enclosed herewith find article from the El Cajon Valley News, giving you a photo of the Murray Dam just completed by the Cuyamaca Water Company; also article showing personal interview with Secretary Lane.

Yours very truly,

CUYAMACA WATER COMPANY,

By _____

Manager.

June 6, 1918.

Hon. Reed Smoot,
U. S. Senate,
Washington, D. C.

My dear Senator:

I am in receipt of yours of May 31, and contents noted.

Senator Phelan is entirely mistaken. Enclosed find copy of telegram signed by every municipality and public organization in the back country, appointing Wm. R. Wheeler their representative; Also copy of telegram from the La Mesa, Lemon Grove and Spring Valley Irrigation District, which is explanatory, showing that it is a unanimous back country versus the City of San Diego. The City of San Diego has four or five other sources of water supply which they can develop, but, instead, owing to personalities and politics certain individuals in control of the City Council of San Diego are doing their utmost to make it a personal matter.

All we ask is a square deal. Representatives of all of the organizations and cities in the back country met Secretary Lane at Pasadena on May 23rd, and he is going into this matter thoroughly. We believe Secretary Lane will give his consent to the Cuyamaca Water Company's building at least one major dam on the San Diego River, just above the El Capitan Indian Reservation.

With kind personal regards, and thanking you kindly for your interest in this matter,

Yours very truly,

F-S

Manager.

(Copy to Hiram W. Johnson)

Ed Fletcher Papers

1870-1955

MSS.81

Box: 58 Folder: 15

**Business Records - Water Companies - Cuyamaca
Water Company - Case Resulting From Hamilton
Filing on Mission Gorge, through El Capitan
Reservation - Correspondence with members of
the Senate and House Public Land Committees**



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