Oct. 6, 1915.

Mr. J. H. Halley, Lemon Grove, Calif. Dear Sir:

I went over to Sweet & Stearns office today with a letter from Col. Fletcher, and papers. The young lady in the office notified me that Mr. Stearns was out of the city and would be away for probably a week or ten days, and on his return he would take up the matter up immediately, and on hearing from him Colonel Fletcher will write you.

Yours very truly,
CUYAMACA WATER COMPANY,

Secretary.

II-S

## INTERVIEW BETWEEN COLONEL ED FLETCHER

AND MR. J. H. HALLEY.

December 29, 1915.

Col. Flatcher. Good morning, Mr. Halley.

Mr. Halley. Good morning!

- F. Did you get my message?
- H. I just got it this morning.
- F. How, my understanding of the District's proposition is this:

  That you want a lease for five years, at a semi-annual rental

  of 6% on \$745,000, and the rental payable semi-annually, say?

  Is that right?
- H. Yes.
- F. Now, in connection with that, I want you to make an explanation of what the District will do in the matter of keeping up our system, and protecting our water rights.
- H. I don't know how to may it, but it seems as though you should be protected in every way, but the lawyers can attend to that. What do you mean, "protecting the water rights?"
- F. Now, here is a serious question. My understanding is that the District would do a reasonable amount of work in the matter of upkesp of the system, annually, and in addition to that a reasonable amount of work to protect our water rights that we have initiated and developed.
- H. Yes.
- F. Now, what I mean by that is this: There are possibly two distinctive water rights to our system, or, to be more explicit,

### F. Contin.,

First, is the water we have actually taken and put to beneficial use all these years

Sacond, the water rights that we initiated the day we bought the syttem, and that we have spent five or six thousand dollars to protect.

In other words, Mr. Halley, when we took over the system, the day we bought it we filed on certain water rights, and we did that as an extra precaution. Our attorney told us that the water filings of twenty-five or thirty years ago still held, for the reason that there had been no water filings since, on the river, to conflict with the original filings. But, in order to make sure, we filed again, at the time we bought the system. At that time we were only delivering, I believe, something like ten or twelve million mallons of water at La Mesa, a day, but we have increased our diversion one hundred per cent, and have delivered, according to the testimony of Lee, the U. S. Government Engineer, something like twenty-two or twenty-three million gallons a day, which actually proves that we can do that successfully. And, in addition to that, by spending \$10,000, we can increase that another 10,000,000 gallons a day, by rutting in a siphon at South Fork and one at Chocolate. Now, it seems to me that our next stop in our water development. that Mr. Murray and I will do, if we don't make any doal with you will be either to build a dam or two in the mountains, or build a small dam at El Capitan, or raise La Mesa Dam, for

- F. Contin.
  - dorage, or raise the Diverting Dum. Our next step is storage.
- H. It has to be.
- F. Now, as I understand this proposition, the District is willing to assume the responsibility of protecting those initiated rights.
- H. Protecting them? That would be a thing I hadn't thought of.
- P. Did I not understand you to say that your first move would be to raise La Mesa Dam?
- H. Yes.
- F. Well, that would be protecting our water rights.
- H. I say "the first move". I am not sure that it would be the first move. It may be that we will raise the Diverting Dam or El Capitan Dam.
- F. Yes. But, we must have our rights protected some way.
- H. Well. I think that just as soon as we can sell bonds enough the other would follow.
- F. In other words, you feel that a satisfactory arrangement can be made to protect our interests?
- H. I think so. Now, I must say that I hadn't figured on that this way. We don't take any stock at all in those reservoirs of yours being built in the mountains.
- F. If we don't sell to the District, Mr. Murray's and my plan would be to either build a diverting dam, El Capitan Dam or La Mesa Dam. Is that what you think should be done?
- н. Уся. Жайдаяпинийняпиндиняхийскимия
- F. Well, your ideas agree with ours. It doesn't mean that you

have to spend say Five hundred thousand dollars, but that you have got to initiate the work. This is what we expect you to do -- is to spend enough money to reasonably protect our rights, and show continuous work. I suppose twenty or thirty thousand a year.

- H. Well, if we don't spend more than that, there is no use of our doing anything with the system.
- F. So, if you will only raise the diverting dam thirty or forty feet, within the next two or three years, or raise the La Mesa Das, and spend, say \$50,000 a year on it, to show continuous work, so as to protect our water rights as against the city. I think we agree on that, don't se?
- H. Yes, sir.
- F. Then your proposition is this: Five years lease and an option to purchase, at the price of \$745,000, which you will pay us sither in cash on or before five years, providing you can sell at any time the bonds at par and turn the cash over to us.

  Or, if you can't sell those bonds during that five years, then in that case you will let us have the bonds at minety-five, the understanding being that we will not be compelled to take those bonds unless the State Bonding Commission and the Supreme Court confirm their validity.
- H. Please state that over again.
- F. The whole thing is, if we take those bonds at ninety-five, providing you can't sell them for cash, what are you going to give us in the shape of an assurance that the bonds are

valid?

- H. It seems to me a little hard that you should ask us to go
  to the State Commission, and then to the Supreme Court, both.
  Why not one or the other?
- P. All right, then, we will may to the Suyreme Court. That will be satisfactory to me.
- H. I don't think that it is right for you to ask for a contract binding us down to the approval of both.
- F. Well, then we will say, the Supreme Court, although I think for your own satisfaction you will want the State Bonding Commission's approval.
- H. Here is another proposition. I don't think it matters much to you one way or the other. Provided you don't want to take the bonds at ninety-five, at the end of the five year's option, you may have the right to continue the option and lease for another five years, in which case we will assume the obligation of paying each, and it will not be necessary for you to take the bonds --- that is, if for any reason things do not look right to you after another five years.
- F. You are willing to guarantee to pay cash on or before ten years?
- H. Yes.
- F. Now, to put it in a few words, we will have an option, if we don't want to take the bonds, to extend the lease for five years more.

  In which case you are willing to agree that the contract shall specify that you will pay cash at the end of ten years. And we will not be obligated to take the bonds, but that must be to cover a ten year period in which to pay cash instead of five?

- F. Well now, I asked you to come here for this reason. I have sent word of your proposition to Mr. Murray, and he has agreed to be here either tomorrow or Friday. As far a suit is concerned, if your attorneys feel that your interests must be protected by bringing some sort of a suit, as you stated to me the first of the week, why you bring it.
- H. He said he waw one particular reason why the suit should be filed not later than Friday night.
- P. If your attorneys says that your interests must be protected, why there will be no hard feelings in the matter if you do bring suit. Of sourse, we are just as positive as you are that we are wholly within our rights and have lived up to the contract, and I think your attorney's reason is that the District is now going to do to us what the city did do, and that was to get Boone to bring suit and cloud the title to your bonds so we could not sell to the District. And now the District is going to bring suit to cloud the title to the property, so that we cannot sell to someone else.

I hereby certify that the above is a true and correct copy of conversation between Col. Ed Fletcher and Mr. J. H. Halley, to the best of my ability, as made on Wednesday, December 29, 1915, San Diego, California.

Subscribed and sworn to before me this 31st day of December, 1915.

you wasthews

Motary Public in and for the County of

Marie InDownell

Feb. 16, 1916.

Mr. J. H. Halley.

President La Mesa, Lemon Grove and Spring Valley

Irrgation Co.,

La Mesal Calif.

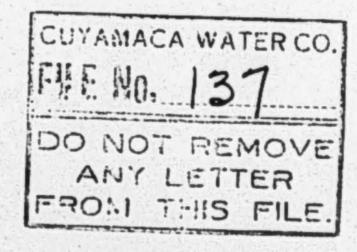
My dear Mr. Halley:

In the matter of the Lemon Grove Park water rates; we had a letter from the State Railroad Commission in which they refused to take any positive action, and this matter will have to be taken up at the hearing on the twenty-fifth.

Yours very truly, CUYAMACA WATER COMPANY

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EF:B



siphons) from Eucalyptus Reservoir, to take care of the entire Lemon Grove, Spring Valley section;

(d) The spending of \$30,000 in concreting the present pipeline on El Cajon Avenue, which will put this line in permanent condition.

The above are sugguestions which I would recommend, if any sale is made to the District, and is just a rough outline. The citizens of San Diego would welcome this development by the District, where they would oppose the Cuyamaca Company's construction.

A great asset to the District would be that by building these dams, itself, it would unquestionably acquire additional water rights for the cost-of construction of the works alone; while if the Cuyamaca Company build said diverting dams, and afterwards sell the system, it would in all fairness demand. In my opinion would receive a large additional value for the water rights acquired by the construction of the two dams in addition to the cost of the works themselves.

If the above plan that I have outlined is carried out, the people that I represent, Messre James A. Murray, Wm. C. Henshaw, F. & W. Thum Co., and Harry Payne Whitney, will in my opinion be willing to obligate themselves to purchase the bonds of the District necessary to make the improvements that I have outlined above.

Other negotiations for the sale of the Cuyamaca system are on. Mr. Murray has had a definite offer to sell his interest to a party in Tacome, unknown to me. I desire that your Honorable Board take early and favorable action in this matter. Otherwise, in all fairness, to give me a quittance in relation to my pledge to see that the District acquires this system.

Very truly yours,

CUYAMACA WATER COMPANY,

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Manager.

12 January 1920 Mr. J. H. Halley, Lemon Grove, Calif. My dear Mr. Halley: I want to personally thank you for the attitude you and the people of Lemon Grove have taken in the matter of litigation over the old water right contracts. You people realize the fact that it is entirely out of the question for us to continue, even if the old contracts were valid, to furnish water under the old conditions. It is not our desire or intention at any time to deprive any one of water, and all they want, but price you should pay should be governed by the Railroad Commission. To illustrate: in 1916 the Edison people signed a contract with the Riverside Portland Cement Company for electricity at 62 mills: owing to the war and increased cost of fuel and other expenses. this 62 mills is less than the cost of production today, with the result that the Railroad Commission stepped in, ignored the private contract between the Edison people and the Cement Company and increased the rate to 82 mills, making a higher cost of \$30,000 a year for power to the Riverside Portland Cement Company. Then again, those people in El Cajon valley seem to have forgotten that they bought their water rights subject to a \$600,000 mortgage in the shape of bonds, and that the bond holders took over the property under a voluntary foreclosure of mortgage and we bought from the bond holders. Nevertheless, I appreciate the broad and equitable view that you Lemon Grove people have taken in the matter. Yours very truly. EF: KLM

Lemon Grove, California, September 18, 1918.

War Finance Corporation,

Washington, D. C.

Gentlemen:

Whereas, the Cuyamaca Water Company, a co-partnership, consisting of the following individuals: James A. Murray, Wm. G. Henshaw and Ed Fletcher, are desirous of being assisted by the War Finance Corporation in the construction of the following:

First: A Major dam on the San Diego River at the head of the Cuyamaca Water Company's flume.

Second: The building of a pipeline to Camp Kearny from the Cuyamaca Water Company's lately constructed concrete dam, knownsas Murray Dam, and

Whereas, said proposed dam and pipeline are necessary for the conservation and transmission of additional supply of water, which will be furnished the U.S. Government at the Camp Kearny cantonment.

Therefore, We, the Board of Directors of the La Mesa Irrigation District, in session this day, petition your Honorable Body to assist in every way possible the Cuyamaca Water Company in the financing of the proposed dam and pipeline heretofore mentioned, and for the following reasons:

First: Owing to the location of the cantonment in San Diego County the demand for water has materially increased and there is urgent need of an increased supply.

Second: The lands within the La Mesa Irrigation District, which include the City of La Mesa and the towns of Lemon Grove are Spring Valley, are entirely dependent upon the Cuyamaca Water system for their supply of gravity water, and by the construction of said major dam it mmans a materially increased water supply, therefore making possible a much larger development of irrigated lands as well

as an assured increase in domestic supply of water for lands within the boundaries of the district.

Respectfully submitted,

LA MESA, LEMON GROVE & SPRING VALLEY IRRIGATION DISTRICT.

By (S) John H. Halley.

President.

By (S) Jno. C. Scott Secretary. San Diego, California, June 2, 1918.

Hon. Wm. R. Wheeler, Army and Navy Club, Washington, D. C.

Night letter

F-S

Charge Cuyamaca Water Co.

Please notify chairman Public Lands and Indian Affairs Committees of House and Senate, also other, interested members that the Cuyamaca Water Company has offered to sell its system to us, including building of at least one major dam on the San Diego River, at or near their present point of intake. The valuation of their present system and future development to be made by state authorities, the Cuyamaca Company to accept our bonds in payment. Every indication sale will be consummated by voters of this district. Official representatives of the cities of La Mesa and El Cajon, also business associations in our district, by arrangement, met Secretary Lane May twenty-third, Pasadena, and asked Gavernest Government consent to construction by Cuyamaca Water Company of major dam at or near diverting dam. We believe permit will be granted. Urge delay on San Diego's El Capitan bill until Secretary Lane returns. This no longer a fight of city versus private corporation, but one between San Diego City versus other municipalities; also the unanimous back country trying to protect its only source of water supply for our future heritage.

Lalluce, Lemon Brane Metrick Vaccey Grigation Nietrick Vaccey Grigation Ristrick Horsely, Pros.



La Mesa, California. January 16, 1919.

0 2000

o/o Army & Mavy Club.

In justice to the people of the Lemon Grove, Le

Mesa and Spring Valley Irrigation District, comprising

14,000 acres, we urge you to make every effort to have

San Diego's bill referred to a committee, as the dam the

City proposes building at El Capitan, owing to its low

elevation, will not serve our people with gravity water.

we believe if the City's bill should pass it will mean the stopping of contemplated water developments which are essential to the development of our District and the surrounding country.

La Mess. Lemon Grove and Spring Valley Irrigation District.

By J. H. Halley.

0 2600 Copy of Resolution sent by La Mesa Irrigation Distric

In justice to the people of the Lemon Grove, La Mesa and Spring Valley Irrigation District, comprising 14,000 acres me urge you to make every effort to have San Diego's bill referred to a committee, as the dam the City proposes building at El Capitan, owing to its low elevation, will not serve our people with gravity water.

We believe if the City's bill should pass it will mean the stopping of contemplated water developments which are essential to the development of our District and the surrounding country.

San Diego, California July 15. 1921.

Mr. J. H. Halley, Pres., La Mesa, Lemon Grove Irrigation District. Lemon Grove, California.

Dear Sir:

Confirming my telephone conversation with you, will say I understand that you own about 400 acres of land in the El Cajon valley. I have a client who is locking for 200 or 300 acres, but possibly I can sell it all.

Please let me know what your net price is, and terms.

Also please by return mail let me have a legal description of your property. I am familiar with the property in a general way, and if I have the legal description this is all I want.

My business is the buying snd selling of real estate, and I have a license to do business.

Kinaly let me hear from you at your convenience.

Yours truly.

Ancable

HIC: M

February 20, 1922.

Mr. J. H. Halley, Lemon Crove Mutual Water Co., Lemon Grove, California.

My dear Mr. Halley:

Enclosed herewith find copy of protest of the City of San Diego, which is explanatory. I believe it is for your best interests to have your attorney intervene before the State Department of Public Works, and file a protest against the city's protest and give your reasons why.

I hope you will take immediate action in this matter.

Yours truly,

EF:KLM



# INTERVIEW OF MR. J. H. HALLEY

PRESIDENT LA MESA, LEMON GROVE & SPRING VALLEY IRRIGATION DISTRICT.

I wish to clarify the situation for the bonefit of the sober minded voters of Ban Diego, by making the following statement of facts:

First - The District on April 5th, last, secured an option to buy the Cuyamaca System, subject to ratification of the votors at the earliest possible date. The state authorities formally approved the sale and the bonds were voted November 7, 1924. San Diego is not now fighting "private interests" but the district, for Fletcher and Stern are out of it.

second - We own practically all of the El Capitan demaite and nearly a mile of lands that will be flooded. This property cannot be condemned by the city. Why vote \$4,500,000 in bonds to build a dam on a piece of property that you do not own and cannot condemn!

Third - We claim ownership to our water supply under the laws of the State of California and have been in undisturbed possession thereof for 40 years or more.

Fourth - We will gladly negotiate with the city for an equitable division of the waters of the San Diego River, as it is our only source of water supply. We insist upon building Flotcher dam, and all we ask is the protection of our water supply in the Monte gravels.

Fifth - Our district domands are approximately 11 million gallons daily when completely developed. This leaves roughly 15 million gallons daily for the City of San Diego in addition to our full supply. A way must be found for a compromise fair to all parties in interest. The district is not looking for a fight, is willing to meet the city more than half way, but we do insist upon

our rights being recognised and adjudicated in a proper manner, thereby stopping this endless litigation which can only result in great damage to both city and county.

We feel that we are a little Belgium fighting for our moral and legal rights, and we urge the citizens of San Diego to vote "No" on the El Capitan bonds next Tuesday. After the bonds are defeated, an earnest, sincere effort by both parties should immediately be made to settle, for all time, our water problems on the San Diego River, for your interests and ours are mutual and some day we hope to become a part of Greater San Diego.

Mr. J. H. Halley, Sec'y, Lemon Grove Mutual Water Co., Lemon Grove, California.

My dear Mr. Halley:

Major Kluegel, who is head of the State Water Commission, is coming to San Diego on or about the 10th of May for an investigation as to the right of the Cuyamaca Water Commany to build a dam at the head of our flume.

The City of San Diego is the only one who has opposed the construction of this dam. Not a riparian owner has protested against it on our claim of due diligence. It is important to all concerned that the Board of Directors of the Lemon Grove Mutual Water Company immediately send a telegram to Major H. A. Kluegel, Division of Water Rights, Department of Public Works, Sacramento, telling him that you understand he is coming soon to San Diego County, and you ask for a hearing to discuss the matter informally with Major Kluegel while he is here, and asking when he will be here.

The above is a suggestion for your consideration, however, I hope that your Board of Directors will present this matter clearly to Major Kluegel, urging the contruction of the dam. Major Kluegel is going to have a conference with the City of San Diego, at which time they are going to protest the building of the dam. It seems to me that if you could have Major Kluegel come to Lemon Grove for a special hearing it would be much more impressive.

Yours sincerely,

EF: KLM

Sistery

July 16, 1924.

Mr.j. H. Halley, President, La Mesa, Spring Valley & Lemon Grove Irrigation District, Lemon Grove, California.

My dear Mr. Halley:

Mr. Claus Spreckels telephoned for me to come over to his office Tuesday and there I found Mr. Rhodes, the city manager.

Enclosed find copy of revised agreement, with conditions included which Mr. Rhodes has asked for. Please let me know what you think of them. I would appreciate your friendly criticism.

This agreement may be changed a half dozen times before it is ever signed, but I think we are making headway.

Yours very truly,

EF:KLM



La Mesa, California, December 6, 1924.

Guyamaca Water Company, San Diego, California.

Gentlemen:

It is the understanding of the Board of Directors of the District that we are to pay all bills for November excepting that of A. Alvarado - \$52.50, P. Nunes - \$38.50, those two men having worked at El Capitan this month; also A. Cuellar - \$42.00, and Pedro Cuellar - \$59.50 who have been working at Fletcher. The total amount for the month of November being \$192.50. Also you are to advance any money to pay off these men for work accomplished during the month of December, and are to lay all these men off from this date, leaving are one working either at El Capitan or at the Fletcher damsite for our account.

When the Cuyamaca System is transferred to the District the moneys so advanced above mentioned by you, are to be refunded by the District.

Yours very truly,



December 8, 1924.

Colonel Ed Fletcher, Mgr., Cuyamaca Water Company, San Diego, California.

Dear Sir:

It is understood that you are to pay the men employed at El Capitan and Fletcher damsites for wages already incurred amounting to \$192.50, for the month of November, 1924 and wages incurred to and including December 8, 1924 amounting not to exceed \$100.00, and that this amount will be repaid to you if, when and as the district takes over the properties of the Cuyamaca Water Company under its option dated April 5, 1924.

Yours very truly,

LA MESA, LEMON GROVE & SPRING VALLEY IRRIGATION DISTRICT

By St Halley Res.

January 28, 1925.

Board of Directors,
La Mesa, Lemon Grove & Spring
Valley Irrigation District,
La Mesa, California.

Attention: Mr. J. H. Halley, Pres.

Gentlemen:

It is my understanding that you have employed.

Crouch & Sanders your associate counsel with Mr. Stearns in defending these different suits, and that any expenses or costs in relation thereto since the bonds were voted we are advancing the money, but the District will eventually reimburse us when a final settlement is made.

This is a confirmation of my understanding of the matter, and if I am in error please correct me.

Yours very truly.

EF: AH

Board of Directors,
La Mesa, Lemon Grove & Spring Valley
Irrigation District,
c/o Mr. J. H. Halley,
Lemon Grove, Calif.

Gentlemen:

Enclosed find copy of letter I have written Mr. Stearns in answer to his letter of Feb. 4th in relation to the obligation of the District as to the payment of attorneys' fees.

Yours truly,

EF:KLM

March 19, 1925.

Mr. J. H. Halley, Lemon Grove, Calif.

My dear Mr. Halley:

Enclosed find copy of letter that is explanatory, but must be kept confidential.

It is certainly very encouraging. I have also sent a copy to Mr. Hall.

Yours very truly,

EF: KLM

July 31, 1925.

Mr. J. H. Halley, La Mesa, California.

My dear Mr. Halley:

from Robert Harrison of the attorney general's office. The respondents in this case are the La Mesa District and it seems to me Mr. Stearns should have either filed his reply brief or notified the Supreme Court he wasn't going to do so.

Yours very truly,

EF:AH

OFFICE OF

# LEMON GROVE MUTUAL WATER COMPANY J. H. HALLEY, BUPERINTENDENT

LEMON GROVE, CALIFORNIA, Aug 6 1925

bol Ed Fletcher

Dear Sir,

Mr Hall + suspely investigated the contention of the Clerk of the Supreme Court which you brought to our attention.

Mr Steams heing away we Each thought we would find out what Mr Samuders Ruew of the matter, Mr Samuder States that in his opinion Der Steam is blanceless; that Mr Steams told the Court positives that he did not want to reply + relied on, I think it was the Econdido case, to justify his contention.

Of course when Mr Steams comes home I will call his attention to the matter

Jours hul,

Jours hul,

Jours hul,

Jours La Mesa Leman Gener + Spring Valley Inigation District

August 1, 1925. Mr. J. H. Halley, La Mesa, Lemon Grove & Spring Valley, Irrigation District, La Mosa, Celifornia. My dear Mr. Halley: Enclosed find a tentative basic agreement which, in my opinion, is the bast we can get out of the city, of course, assuming that the contract will be drawn up fairly, protecting all parties in interest as to details. Even if the district directors do not approve it, it may be the wisest course to pursue to submit it to a vote of the electors of the district for their approval or rejection, -If the city is ready to go ahead on this plan. Think it over. Yours very truly, EF: KLM

#### **Ed Fletcher Papers**

1870-1955

**MSS.81** 

Box: 9 Folder: 31

### **General Correspondence - Halley, J.H.**



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