

# The Cuyamaca Water Company Partnership: New Scenes from San Diego's Water History

Bill Farley

Considered to be one of the most influential people in San Diego, Ed Fletcher (1872-1955) spun many tales that still dominate the City's land development and water historiography. His embellished accounts of his own role in the Cuyamaca Water Company obscure a number of colorful episodes in San Diego's history. This article revisits Fletcher's life and times, highlighting stories about the "Bonanza King" James A. Murray (1840-1921); the accidental naming of Lake Murray; and a yacht club at Pebble Beach paid for, albeit indirectly, by San Diego county ratepayers.

Ed Fletcher, born and raised in Massachusetts, travelled to San Diego in 1888 to live with his sister when just 15 years old.<sup>1</sup> The first job he held down was working for a produce vendor. He travelled all over the county and came to know every inch of land surrounding the city. He knew



*A young Ed Fletcher and his wife Mary, c. 1895. Ed Fletcher told many tall tales about his accomplishments in the early years of San Diego's development. ©SDHC #81:10736.*

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where the streams ran the longest and where the land avoided winter's frost. His optimism, persistence, and bravado—along with his local knowledge—allowed him to find work as a middleman on several important development and infrastructure projects in the region. Fletcher's boasting extended beyond selling services to wealthy individuals. He authored a chapter on water development in Carl Heilbron's *History of San Diego County* (1936), and represented himself as an equal partner to multi-millionaire James A. Murray in the Cuyamaca Water Company. Sixteen years later, when writing his memoirs, he embellished his own role in San Diego's development, changing his lot from an indiscriminate pitchman to an artful persuader, and from a struggling project manager to a visionary owner.<sup>2</sup>

Local historians, starting with Heilbron in 1936, accepted Ed Fletcher's version of San Diego's development without question. The former wrote of Fletcher, "[His] wisdom and foresight together with his fine connections with men of wealth made possible the development of the majority of our county water system."<sup>3</sup> In 1978, Claire Crane characterized Fletcher as one of twelve people who shaped San Diego, listing him alongside Juan Rodríguez Cabrillo, Father Junípero Serra, and John D. Spreckels.<sup>4</sup> Donald C. Jackson wrote about John Eastwood's dam projects in San Diego in 1995, citing Fletcher's memoirs as his primary source. Jackson cast Eastwood as a potential rival to Spreckels' empire, and attributed the success



Gold Creek, Pioneer City, Montana. Smithers, 1881. Murray's first strike occurred not in the Pioneer Mining District between Helena and Missoula. Archives and Special Collections, Mansfield Library, University of Montana.

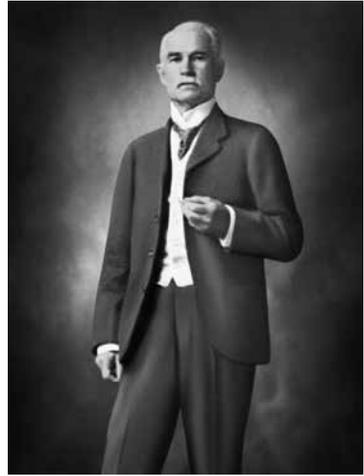
of Murray's projects to Fletcher's managerial and political skills.<sup>5</sup> Leland Fetzer, meanwhile, suggested that local elites supported Fletcher's projects "because they recognized his integrity, his business acumen, his record of success and his ability to manage the endless details of his project indefatigably day and night."<sup>6</sup> Only Theodore Strathman has been more circumspect in considering Fletcher's career.<sup>7</sup>

Collectively, these historians conferred a significant role on Fletcher in the history of San Diego. They bestowed upon Fletcher the vision to conceive a water system to serve a vast population, and the skill to develop and deliver this system by orchestrating the complex elements of design, financing, permitting, construction and ratemaking. A thorough review, however, of letters, court documents, and accounts from public officials associated with Fletcher, Murray, and the Cuyamaca Water Company, reveal a very different role for Fletcher. He was a middleman, with little discretion to drive any aspect of the company's business affairs.

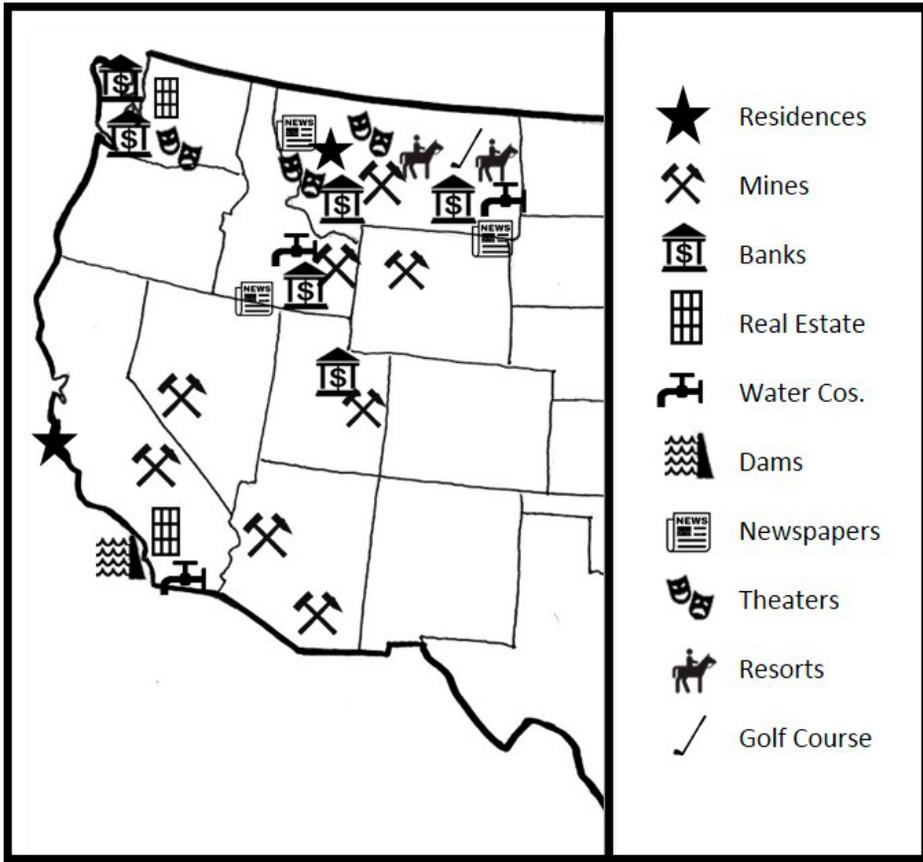
The first order of business in clarifying Fletcher's role starts with striking Heilbron's inference that Fletcher's "wisdom and foresight" led to the development of the county's water system. It is well documented that the basic components of the Cuyamaca Water Company were under development in 1887, a year before Fletcher arrived in San Diego, through the efforts of T.S. Van Dyke who identified locations for dams and aqueducts to store and transport water to the valley below. Van Dyke played an important role in executing his vision, leading an initial group of investors to build parts of his plan.<sup>8</sup> Evaluating the balance of Fletcher's accolades, and reconstructing his fifteen-year affiliation with the Cuyamaca Water Company is more complex, and requires close study of Murray, the Cuyamaca Water Company Partnership, and a secret deal struck between Fletcher and Murray's widow.

### **James A. Murray**

James A. Murray, an Irish immigrant from the Great Famine years, controlled a vast and eclectic empire of mines, real estate, waterworks, newspapers, and banking houses stretching across eight western states and Mexico. He started



*James A. Murray parlayed a gold strike in the Montana wilderness into a business empire spread across the western United States. Author's collection.*



Map of Murray's holdings. Author's collection.

his empire in Pioneer, Montana, in the early 1860s. Contemporary reports from *The New North-West*, among other newspapers, indicate that Murray hit pay dirt shortly after arriving in Pioneer and used his earnings to hire employees and lend money to prospectors for supplies.<sup>9</sup> He foreclosed on prospectors who could not make their loan payments, taking their claims and horses for his own use, thereby expanding his mining operations. He also bred horses.<sup>10</sup> When the Pioneer District started to prosper in 1868, he used his mining and lending profits to open a general store and saloon.<sup>11</sup> Sometime prior to 1875, Murray claimed ownership of the Treadwater Flume through purchase or foreclosure.<sup>12</sup> The flume, supported in places by trestles over 100 feet high, transported water from rivers and creeks to dry gulches and riverbeds and was an important part of the development of the Pioneer mining district.<sup>13</sup>

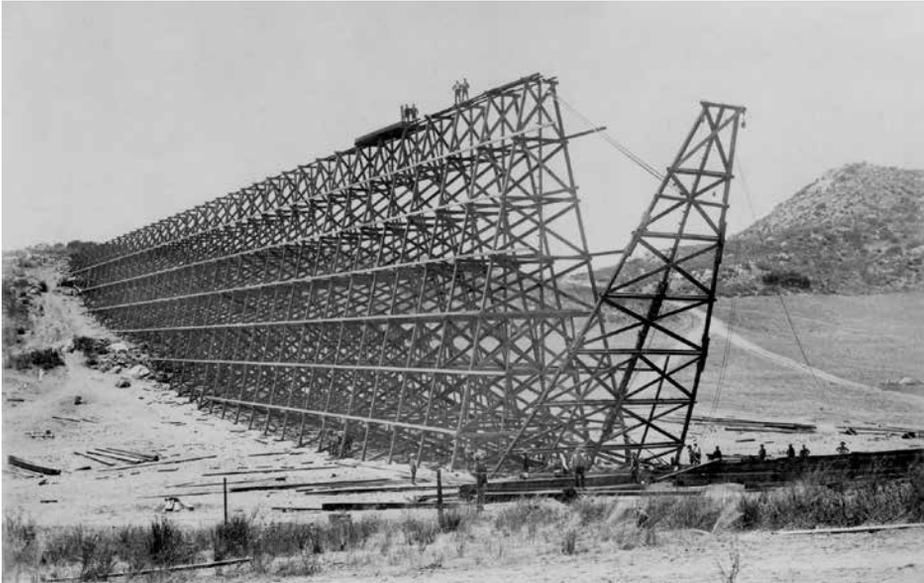
In 1878, Murray moved forty miles south to Butte, the business capital of the Montana Territory, and opened a private bank. For a time, he remained focused on

expanding his portfolio of mines in southwest Montana, and soon was recognized as one of the first millionaires in the Territory.<sup>14</sup> Between 1881 and 1885, as railroads from every direction connected to Butte, Murray set aside the horse and wagon and started riding the rails to every corner of the West, looking for new opportunities. Over the next two decades, he built an empire that included banking houses operating under a variety of ownership structures in Butte, Livingston, Pocatello, Salt Lake City, Seattle, and Tacoma.<sup>15</sup> He acquired small waterworks and started newspapers that served the communities of Pocatello and Livingston, Montana.<sup>16</sup> He operated silver mines in Arizona, gold mines in Utah, California, and the Sonora District of Mexico, copper mines in Montana and Idaho and oil fields in Wyoming.<sup>17</sup> He also built theaters in Butte and Great Falls, Montana, and Pocatello, Idaho; office buildings in Butte, Seattle, and Tacoma; purchased residential land in Portland and Seattle; and bought three resorts—Hunters Hot Springs near Yellowstone National Park, Boulder Hot Springs between Butte and Helena, Montana, and the Broadwater Hotel and Natatorium outside Helena.<sup>18</sup> In 1904, likely tiring of the harsh winters in Montana, Murray established residence in California, in a grand mansion along the Monterey Coast.

### **The Murray-Fletcher Partnership**

Murray was fond of port cities. He invested heavily in Seattle and Tacoma, Washington. His interest in San Diego was piqued by the progress of the Panama Canal and the extensive rail network serving the coastal city. He surmised that the city, with a population one-eighth the size of Seattle and Tacoma in 1910, was destined to expand and become a great seaport.<sup>19</sup> To tap San Diego's potential, Murray had to find a local operative to scout opportunities and manage his future holdings.<sup>20</sup> A mutual acquaintance, E. Bartlett Webster, introduced Murray to a prime candidate: Ed Fletcher.<sup>21</sup> The latter was a good fit for Murray; he was hungry, personable, and knowledgeable about community politics.

After their initial introduction in 1908, Fletcher wrote to Murray on a regular basis, pitching investment opportunities. Sometimes Fletcher included two or three proposals in one letter.<sup>22</sup> Every deal was a winner in Fletcher's eyes. Murray's responses to Fletcher's requests, throughout their partnership, ranged from surprise to dismay. On one occasion, Murray wrote to Fletcher, "It seems to me you become very optimistic at times. Don't care to accuse you of drinking or anything of the kind, but like many others you have your ups and downs."<sup>23</sup> On another occasion, after Fletcher wrote asking for a mere \$115.00, Murray replied, "I'm surprised that a man of your age should refer the matter to me," incredulous that Fletcher, for all his great ideas, appeared helpless to act on even the smallest



*The Flume, El Cajon, 1887. The San Diego Flume Company built a series of aqueducts on trestles to deliver water to the city and surrounding areas in the late 1800s. ©SDHC #13642.*

opportunity. Nevertheless, Murray never tired of getting Fletcher's suggestions, and Fletcher never tired of rejection. Eventually, Murray funded two loans for Fletcher: one to purchase real estate in downtown San Diego, and the other to build a trolley line serving the City's center.<sup>24</sup>

In 1910, after two years of pitches, Murray finally found a deal he liked for himself. Buried in one of Fletcher's letters was a suggestion to acquire the bankrupt San Diego Flume Company, a private water company started in 1886 to serve portions of San Diego County.<sup>25</sup> The Flume Company was a perfect match for Murray. He was experienced at managing flumes and water utilities, and at orchestrating local politics to increase their revenues. In Pocatello, he installed a nephew to watch his water company. At the same time, he started a newspaper to promote his views and built a theater to build good will in the community. He kept Idaho's fledgling State Utilities Commission at bay through various legal maneuvers. He did much the same in Livingston, Montana, where he also owned the local water system. The San Diego Flume Company served a much larger community, but the same dynamics were at play, and the price for the Flume Company was just a fraction of the cost of the original owner's investment. After contemplating the opportunity for six weeks, Murray directed Fletcher to the water contracts needed to assess the potential of the company. Murray reviewed the terms and conditions and decided that the Flume Company was worth his time and money. It would need a great deal of both.

Murray's due diligence and decision process bore no resemblance to Fletcher's version of events. In his memoir, Fletcher proudly stated that he travelled to Monterey to meet with Murray and that, "it took me only a day to convince (Murray) that the investment was sound."<sup>26</sup> This cockeyed version of the purchase process is likely the origin of accounts that extoll Fletcher's talent to mesmerize and pull millions out of wealthy businessmen, while marginalizing Murray's role to that of "financial angel."<sup>27</sup>

The purchase price for the San Diego Flume Company was \$150,000. Murray paid \$125,000 in cash for a five-sixth interest, and Fletcher borrowed \$25,000 to claim a one-sixth interest.<sup>28</sup> They closed the acquisition on June 1, 1910, and renamed the company the Cuyamaca Water Company (CWC) after the mountain range that provided its watershed.<sup>29</sup> Shortly after the deal closed, Fletcher asked Murray for cash to hire consultants, pay himself a salary and make repairs. Murray denied all three requests.<sup>30</sup> He expected Fletcher to donate his time and focus on increasing company revenues, not expenses. As a minority owner, Fletcher had no say in the financial decisions of the company. His primary role was to take orders from Murray.

Managing the system was not a simple task. The assets included a series of small dams, diverting structures, trestles, and flumes to move water 50 miles from



*Ed Fletcher (front passenger) and a group of friends near the Sweetwater Reservoir, 1909. Sweetwater Dam was built in 1888 as part of a system of reservoirs on San Diego County rivers. ©SDHC #496.*



*Flume carpenters at rest, c. 1888. ©SDHC 80:6483.*

the peak of the Cuyamaca Mountain Range to reservoirs that served urban and rural customers. The system's 36 miles of trestles and flumes were a maintenance nightmare. The flumes leaked, and wind and wildfires constantly threatened the trestles.<sup>31</sup> Although Fletcher had a daunting responsibility, Murray was in constant communication, sending directives (some with detailed diagrams) while riding the rails to and from San Francisco, Seattle, Salt Lake City, and his resorts in Montana. During the first few years of operations Murray funded a number of improvements to serve new customers, and Fletcher managed contracts and worked on increasing rates.<sup>32</sup>

At some point during the early years of the CWC, Fletcher's financial position must have weakened because he sold half of his interest to William Henshaw. Murray, knowing his partner's financial straits, provided Fletcher with an opportunity in 1913 to make a fortune. Murray granted Fletcher a three-month option to buy the company for \$600,000.<sup>33</sup> If Fletcher could find a buyer in three months, he could purchase the company from Murray and sell it in one simultaneous transaction. Any proceeds above the option price would go to him as additional profit. Fletcher tried valiantly to get the City of San Diego to make an offer, but in the end, the City felt they had enough water without buying the Cuyamaca Water Company.<sup>34</sup>

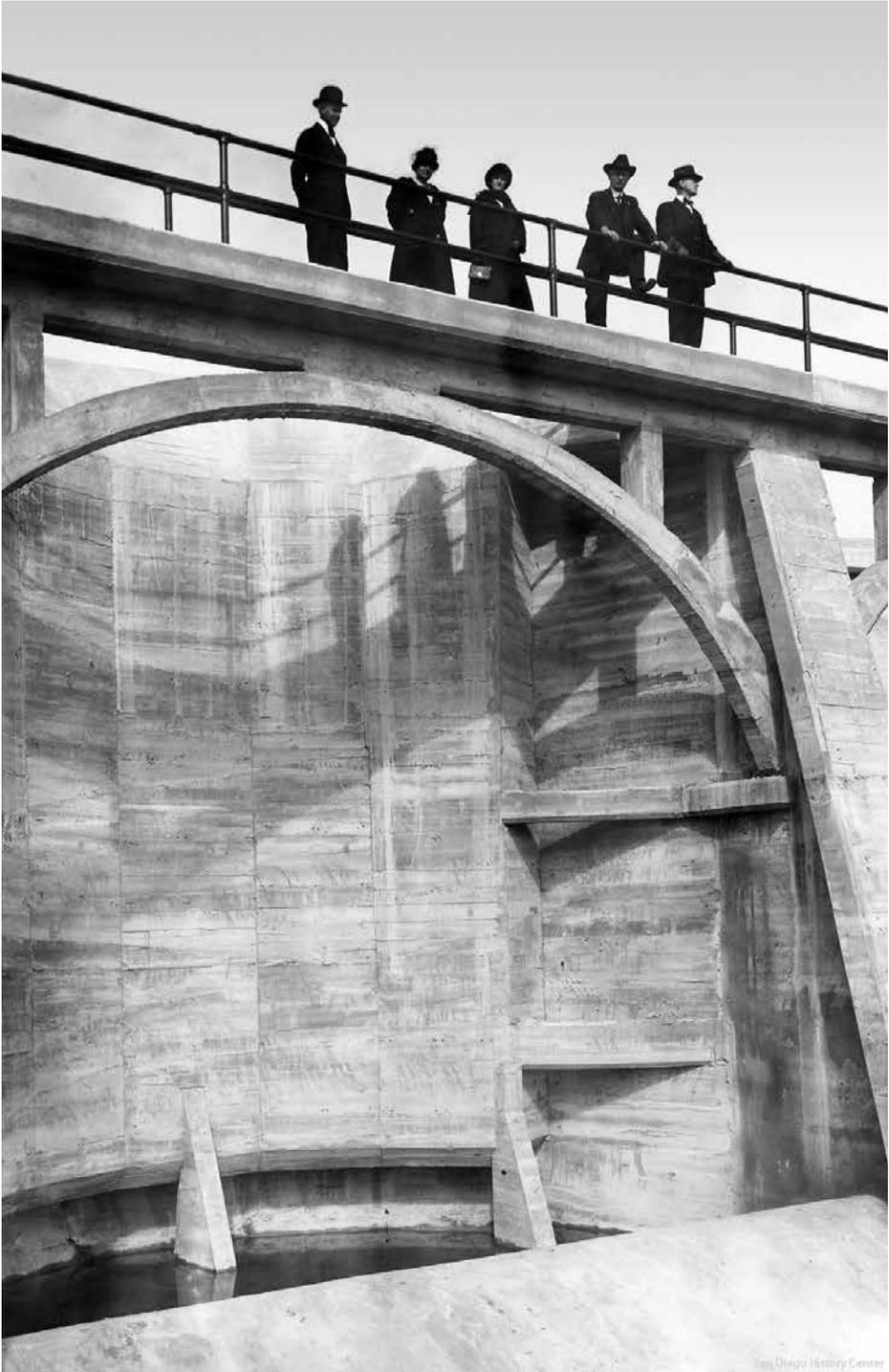
Fletcher returned to managing the water company, with prospects for a big payday dwindling as every month passed. Murray diminished Fletcher's

initial ownership position significantly by using cash to improve and expand the system. As Murray poured over \$500,000 in cash into the company for repairs and improvements, Fletcher needed to put in one-twelfth, or 8.3 percent, of all new funding to maintain his ownership percentage.<sup>35</sup> Fletcher borrowed money for his initial stake in the company and could not afford additional contributions. Murray lent Fletcher \$60,000 to keep his one-twelfth position intact on paper.<sup>36</sup> Without the loan, Fletcher would have seen his interest in the company shrink to less than two percent. With the loan, however, he was at Murray's mercy. Murray could demand that Fletcher repay the loan at any time, including just moments before the sale of the water company. If Murray made such a move, Fletcher would not be able to make payment and he would lose his stake in the company.

In his memoir, Fletcher wrote that managing the water system was the biggest headache of his life, and it is easy to see why. Murray held his fragile ownership position above his head, while giving him daily orders on everything, including the use of telegrams and postage stamps. On one occasion, after receiving a recommendation by Fletcher to spend more money on the system, Murray reminded Fletcher of his diminutive stature in their financial affairs, telling his front man that his share of the company "wouldn't buy a good breakfast for a poor woman." Murray chastised Fletcher twice for sending telegrams that cost sixty cents each when a two-cent postage stamp would suffice, "(E)very time you say "stop" it cost me money, and I don't want any of these telegrams when 2 cents will answer the question."<sup>37</sup> When Fletcher stumbled on more substantial matters, Murray threatened to replace him as the project manager. After receiving a request for repairs, the latter replied tersely,

Enclosed you will find check for \$15,000 for Cuyamaca expenses. Now I want this to be the last. If that thing don't pay fixed charges after this and running expense, I will try and make a change and make it do so, as I am tired of working for twenty-five or thirty gentlemen looking at the sun to see when five o'clock comes.<sup>38</sup>

Recognizing his performance did not always meet Murray's expectations, Fletcher once pleaded for his "patience and good heartedness" to stick with him as the manager of the CWC.<sup>39</sup> Despite Murray's harsh criticisms, it is likely that he never intended to fire Fletcher. Another one of Murray's partners, Frank "Sandbar" Brown, also retained letters from Murray and they revealed similar treatment. It appears Murray used a heavy hand in part to motivate his partners and, in part, to induce them to work on other activities without compensation. Unfortunately for Fletcher, his extracurricular assignment was over 700 miles away in Pocatello, Idaho.



*Visitors overlook Murray Dam, c. 1918. ©SDHC #4296.*

The Pocatello waterworks was one of Murray's first investments outside of Montana. He won the rights to provide the new town service in 1892.<sup>40</sup> Murray forced out his first partners in this venture almost immediately and put George Winter, an experienced water engineer, in charge.<sup>41</sup> Later, he brought in his nephew Alex Murray to help run the business. In 1914, Winter passed away, leaving Alex in over his head.<sup>42</sup> This spurred Murray to sell the water plant and distribution system to the City of Pocatello. His first meeting with the mayor in January 1915 was not productive. He offered to sell the system to the city for \$425,000 but the mayor declined, citing the Public Utilities Commission's valuation of between \$230,000 and \$290,000 for the entire water plant and distribution system.<sup>43</sup> The city could offer no more than the top of the range, according to the Mayor.

Murray responded by putting two new negotiators in front of the city. First, Murray and nephew Alex signed a 60-day brokerage agreement with Fletcher to sell the system to Pocatello. If he were successful in completing the sale in this period, he would earn a \$5,000 commission.<sup>44</sup> The minimum purchase price acceptable to Murray was \$400,000. Second, Murray asked his nephew James to negotiate the sale. It was typical of Murray's dealings. If his nephew succeeded, he would not have to pay a commission to Fletcher, and if Fletcher negotiated a sale, Murray could discard Fletcher's demand for a commission because he could claim his nephew pulled the deal together behind the scenes.



*Lake Murray and Murray Dam, 1927. Completed in 1917, Murray Dam was the largest dam in Southern California. ©SDHC #11474-A.*



*James A. Murray at Murray Dam. The Bonanza King did not want Fletcher to name the lake or dam after him as he considered it bad luck. ©SDHC OP #4332.*

Fletcher had not been through this type of exercise with Murray so he probably thought there was a real chance of hitting a nice payday. He made several trips to Pocatello to sway the City Council. However, the window to close a deal came and went. The best he could do was urge the city to consider a possible purchase at \$350,000.<sup>45</sup> Murray was likely pleased with Fletcher's effort. Fletcher moved Pocatello \$60,000 closer to his purchase price without costing a dime. On May 16, 1916, Murray's nephew closed the deal with the City for \$350,000 in cash, \$52,000 in penalty waivers, and no commissions for Fletcher.<sup>46</sup>

Back in San Diego, with nothing to show for his valiant efforts in Idaho, Fletcher received his biggest assignment yet. Murray wrote a check to build the largest dam in Southern California—990 feet across and 117 feet in height—and Fletcher was tasked with watching over construction. Murray hired John Eastwood to design the structure, using a controversial but cost-effective multiple arch design. The dam replaced the earthen La Mesa dam and increased capacity at the reservoir by six fold.<sup>47</sup> The cost of the dam was \$119,000 in 1917 (the equivalent of \$32.9 million in the current economy).<sup>48</sup> Murray made the investment to support thousands of new customers moving into the region, and to replace the earthen dam that was subject to erosion in violent storms.

Fletcher, who liked to place his own name on roads and buildings, thought he was ingratiating himself with his partner when he named the new addition the “Murray Dam.” This, however, brought a strong written rebuke from Murray, “Naming dams after men is very poor policy, and I am superstitious about it. [You] Had no business to call that the Murray Dam; [you] should have called it La Mesa Dam and maybe we will change it to La Mesa after a while.”<sup>49</sup>

After the dam was completed, Murray put Fletcher on point again to sell the expanded system either to the City of San Diego or to the newly formed La Mesa, Lemon Grove, and Spring Valley Irrigation District that served rural San Diego County. Fletcher was confident he could get \$1.5 million for the company.<sup>50</sup> If they succeeded in selling at \$1.5 million, each would be repaid their cash contributions, interest, and profit according to their ownership percentages. Murray would receive 83.3 percent; Fletcher 8.3 percent, and Henshaw 8.3 percent. Table 1, columns 1 and 2, provides an estimate of the investment and distribution for each partner under this scenario. Alternatively, Murray could call Fletcher’s loans just prior to closing the sale, driving him out of the partnership. In Pocatello, Murray drove partners out in similar fashion shortly after he won the franchise rights, and sent his nephew Alex into bankruptcy by not sharing sales proceeds when he sold the system. Fletcher must have wondered what Murray had in store for him when the CWC sold.

### **A Secret Deal with Widow Murray**

Jim Murray spent the better part of 1920 directing Ed Fletcher on offers to the City of San Diego and the Irrigation District. In 1921, after a brief flurry of exchanges, Murray passed away at his Monterey mansion on May 11.<sup>51</sup> Within days, the negotiations to sell the CWC were set aside as the battle for Murray’s estate began. The fight played out in newspapers across the country and captured front-page headlines six times in *The San Francisco Chronicle*.<sup>52</sup> At stake was a fortune worth \$10 million (the equivalent of \$2.2 billion in economic power today).<sup>53</sup>

Prior to his death, Murray transferred his Monterey mansion and multiple income properties to Mary Murray, his second wife, avoiding estate taxes in the process. These properties provided Mary with income of \$24,000 per year. Murray left the balance of his estate to six blood relatives: brothers, nephews and nieces. Mary and her son Stuart Haldorn, both left out of the will, tampered with estate documents to redirect a majority of the estate to themselves. James E. Murray wrote to Fletcher ten days after his uncle’s death, pleading for his support in the fight.<sup>54</sup> Mary also asked for Fletcher’s assistance, except she offered payment for his services. Fletcher accepted Mary’s offer and traveled to Butte, Seattle,



*Lake Murray as it appeared in 1967. ©SDCH 2007:93-268.*

Portland and San Francisco on her behalf.<sup>55</sup> After five months of bitter fighting with Murray's blood relatives, and just before her scheduled court testimony on charges she falsified documents, Mary reached a settlement with James. The settlement was contingent on getting other blood relatives to accept a fraction of their interests. James, working with Haldorn, travelled east and strong-armed relatives to obtain the necessary settlements.<sup>56</sup>

Mary's original plan was to compensate Fletcher for his service by forgiving all of his personal loans from her late husband, totaling \$80,000. At some point, Mary's legal team advised her it was illegal to forgive loans in exchange for Fletcher's work conspiring against Murray's heirs.<sup>57</sup> As an alternative, Mary became Fletcher's true "financial angel," optioning the Murray interest in the CWC to him for a discounted price of \$650,000.<sup>58</sup> Fletcher paid \$5,000 in October 1922 to hold this extremely favorable option in place until June 1, 1923. This provided Fletcher with a little more than seven months to buy and sell the system in a single transaction, or find a financial partner to advance the initial down payment required by agreement, \$145,000. The terms and conditions Fletcher secured from Mary were remarkable and gave him an opportunity to seize a significant windfall. If he had purchased and sold Murray's interest on his own he could have realized over \$600,000 in profit from the transaction.

Unfortunately, Fletcher lacked the cash or business acumen to capitalize

on the opportunity and had to turn to others for help. Fletcher asked Charles F. Stern, a Los Angeles banker, to advance the entire \$145,000 in exchange for half of the Murray estate interest.<sup>59</sup> The subsequent exchanges between the two were remarkably similar to the ones between Murray and Fletcher during their partnership. Fletcher proposed to acquire the Murray interest through a complicated partnership with a rival water company. Stern advised against the complex venture and eventually had to explain in detail to Fletcher why the deal was not in their best interests.<sup>60</sup> Fletcher acquiesced and the two entered into a simple partnership and successfully renegotiated the terms of the option agreement to delay the initial \$145,000 down payment by one year, to June 1, 1924. They signed the agreement on June 1, 1923.<sup>61</sup>

While they were negotiating and documenting their purchase agreement with the Murray estate, Fletcher and Stern tried to sell the system to the City of San Diego but came up short, leaving them with two options: sell to the Irrigation District or raise funds through a stock offering to purchase the system with shareholder funding. They worked on both tracks, securing PUC approval to issue bonds while negotiating a sales price of \$1.1 million, for a portion of the system, to the Irrigation District. The Irrigation District was clearly the easiest path to a quick payday, so Fletcher focused his effort on closing the deal. Unfortunately, they were not able to close the sale before their first significant payment came due under their purchase agreement, so Stern had to pay \$145,000 to the Murray Estate to hold control of the CWC. Eighteen months later, on January 4, 1926, they completed the sale to the District. Two years later, they sold the balance of the system for \$400,000 to the City of San Diego.<sup>62</sup> Old Jim Murray must have rolled over in his grave when Fletcher and Stern took away over \$600,000 in profit by simply paying \$150,000 to hold the system for sale.<sup>63</sup> Table 1, columns 1 and 5, illustrates the distributions to Fletcher, Stern, and Henshaw from the sale of the CWC. Fletcher, after repaying his debts, likely cleared \$350,000 in the sale of the CWC.

Ed Fletcher's suspicious windfall may have escaped public scrutiny if it were not for Mary's strident efforts to collect every dollar owed to her husband's estate. In the year prior to the CWC sale, her attorneys filed suit in San Diego to recover \$5,000 her husband lent to Joseph and Anna Sauer.<sup>64</sup> Records do not reveal the original purpose of the loan, but the fact that the Sauer's son Abraham was the publisher of the *San Diego Herald* may hold part of explanation. The collection effort certainly heightened the younger Sauer's interest in other matters relating to the Murray estate. When the CWC sale concluded, Sauer took note of the significant discrepancy between the purchase and sale prices, but mistakenly accused Fletcher of fleeing Mary when, in fact, he was her accomplice. Murray's widow came to

Fletcher's aid in a libel suit against the publisher.<sup>65</sup> The jury could not agree on the charges against Sauer. The latter apologized publically for his accusation, never realizing the fraud he spotted was committed against Murray's heirs.

Fletcher later claimed in his memoir that he only netted \$78,000 for the sale of the Cuyamaca Water Company, contradicting testimony in the Sauer libel case indicating that he split \$500,000 with Stern.<sup>66</sup> If Fletcher only cleared \$78,000, Murray was right: Fletcher was a "damn poor trader."<sup>67</sup> Another explanation, however, is that Fletcher parsed his words carefully in his memoir, and he referred only to the terms of his original partnership with James A. Murray, and excluded the compensation Mary provided for helping to conspire against the legatees of the Murray Estate.<sup>68</sup> Fletcher's account of the CWC sale in his memoir concluded with the comment that he was treated splendidly by Murray's widow and that "everything was adjusted financially satisfactory to all parties concerned."<sup>69</sup>

Mary Murray's satisfaction probably came more from winning a majority stake (51 percent) in her husband's holding company, as opposed to receiving just over \$700,000 from the sale of the CWC.<sup>70</sup> Her portion of the holding company was worth approximately \$4 million, a nice addition to the estimated \$2 million in assets she already held under her own name.<sup>71</sup> Mary and her son Stuart Haldorn used their wealth to live an extravagant life on the Monterey Peninsula, dredging a small bay and constructing a yacht club at the Pebble Beach Resort, just a few months after the sale of the CWC.<sup>72</sup> They commissioned Salvador Dali to paint a portrait of Stuart's wife Enid, and acquired the 2,200-acre Lazy "S" Ranch in Carmel Valley.<sup>73</sup>

Jim Murray knew how to make money and judge character. He entered the San Diego market at the right time and picked a strong political operative in Fletcher. The former's legacy in San Diego, albeit hidden by Fletcher's tall tales, is that he brought order to a water system originally built without discipline, and directed it to a local government agency improved and positioned to meet future growth. As Strathman correctly pointed out in his 2005 article on Fletcher and the CWC, the water system "had important consequences for the trajectory of suburban development in greater San Diego."<sup>74</sup>

Ed Fletcher remains an important figure in San Diego's development, partly for his work on other infrastructure projects, and partly for his service in the State Legislature. The romanticized version of Fletcher's character must be set aside, however, and replaced with a more realistic one. Fletcher showed the rascality and greed common to many of once-revered Western pioneers, including the namesake of Lake Murray.

## NOTES

1. Ed Fletcher, *Memoirs of Ed Fletcher* (San Diego: private printing, 1952), 19.
2. Carl H. Heilbron, et al., eds., *History of San Diego County* (San Diego Press Club, 1936), 386. Fletcher's version of the acquisition of the CWC states it only took one day to convince Murray to purchase the system, and uses "we" in several references to financing and constructing improvements, when in fact, correspondence between the two, indicates Murray conducted extensive due diligence on his own, and Fletcher did not contribute financially to the project after borrowing money to purchase an initial one-sixth share in the CWC. Fletcher, *Memoirs of Ed Fletcher*, 163-77.
3. Heilbron, et al., *History of San Diego County*, 163. This is also used as the primary source for the biography of Fletcher posted on the San Diego History Center website in 2015.
4. "Twelve Who Shaped San Diego," broadcast on KPBS in 1978, San Diego State University, <http://library.sdsu.edu/scua/raising-our-voices/san-diego-history/twelve-who-shaped-sd> (accessed April 24, 2016).
5. Donald C. Jackson, *Building the Ultimate Dam: John S. Eastwood and the Control of Water in the West* (University of Oklahoma, Norman, 2005).
6. Leland Fetzer, *The Cuyamacas* (San Diego: Sunbelt Publications, 2009), 161, 193.
7. Theodore Strathman, "Land, Water, and Real Estate: Ed Fletcher and the Cuyamaca Water Company, 1910-1926," *The Journal of San Diego History* 50, no. 3-4 (2004): 124-44.
8. Fetzer, *The Cuyamacas*, 151.
9. "Another Montana Millionaire: James A. Murray Planning to Give New York a Surprise," *The St. Paul Globe*, June 10, 1900; "Butte Millionaire Visits Friend Here," *Salt Lake Telegram*, March 29, 1918. The article stated that Murray grubstaked most of the men in Butte that made fortunes, going back as far as 1866.
10. "Testimony All In In Alex Scott Suit," *Anaconda Standard*, March 4, 1910. Murray testified that he came to Montana in the 1860s and ran a horse ranch for some years.
11. "Notice of Dissolution," *The New North-West*, March 19, 1875. Murray and James Murphy identified as partners in a general store; "Notice of Dissolution," *The New North-West*, June 28, 1873. Murray and Talbot are identified as owners of saloon.
12. "Local Brevities," *The New North-West*, April 30, 1875. Story indicates Murray owns flume and will repair wind damage.
13. "The Pilgrim Bar Country," *The New North-West*, May 31, 1873.
14. "The Rich Men of Montana," *Omaha Daily Bee*, September 21, 1886.
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  19. *Fourteenth Census of the United States*, vol. 1 (Washington, DC: United States Bureau of the Census, 1921), 86, 184; "Gets Lake and 1400 Acres," *Monterey Daily Cypress*, June 5, 1910.
  20. Murray deployed nephews, a niece, in-laws, and life-long friends in Butte, Salt Lake City, Tacoma, Seattle and Arizona to watch over his affairs. He was out of cronies and family to manage any new businesses in Southern California.
  21. Fletcher, *Memoirs of Ed Fletcher*, 179.
  22. James A. Murray to Ed Fletcher, April 9, 1909, March 1, 21, 1910, Ed Fletcher Papers, Special Collections & Archives, University of California, San Diego (UCSD).
  23. James A. Murray to Ed Fletcher, August 13, 1910, November 1, 1911, Ed Fletcher Papers, Special Collections & Archives, UCSD.
  24. Fletcher, *Memoirs of Ed Fletcher*, 179.
  25. James A. Murray to Ed Fletcher, March 21, 1910, Ed Fletcher Papers, Special Collections & Archives, UCSD.
  26. Fletcher, *Memoirs of Ed Fletcher*, 165.
  27. Fetzer, *The Cuyamacas*, 161, 193.
  28. Fletcher, *Memoirs of Ed Fletcher*, 165.
  29. "Property of Flume Company Deeded to New Owners," *San Diego Union*, June 2, 1910.
  30. James A. Murray to Ed Fletcher, July 27, 1910, Ed Fletcher Papers, Special Collections & Archives, UCSD.
  31. Fetzer, *The Cuyamacas*, 157. Wind blew down a portion of the trestles in 1919.
  32. "Huge Dam to Be Built on Cuyamaca System," February 15, 1912; Strathman, "Land, Water, and Real Estate," *passim*.
  33. James A. Murray and Ed Fletcher, "Option to Purchase," August 25, 1913, Ed Fletcher Papers, Special Collections & Archives, UCSD.
  34. "Manney Ridicules Cuyamaca Plant as Asset for City," *Evening Tribune*, November 24, 1913.
  35. Financial Statement (San Diego, California: Cuyamaca Water Company, December 31, 1922), Charles Frank Stern Papers, 1880-1960, University of California, Los Angeles (UCLA) Library Special Collections.
  36. "Accounting of Estate," 1923, Probate Case File #3274, County of Monterey Superior Court; Fletcher, *Memoirs of Ed Fletcher*, 180. The Murray estate documents indicate personal loans to Fletcher in excess of \$60,000, but these additional amounts may have been for other properties.
  37. James A. Murray to Ed Fletcher, July 23, 1919, February 17, 1920, Ed Fletcher Papers, Special Collections & Archives, UCSD.
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39. Ed Fletcher to James A. Murray, November 23, 1915, Ed Fletcher Papers, Special Collections & Archives, UCSD.
40. "Pocatello Items," *Idaho Statesman*, January 5, 1892.
41. "A Water Right Fight," *Anaconda Standard*, August 29, 1898.
42. "Death of Prominent Man George Winter of Pocatello Succumbs to Pneumonia," *Idaho Statesman*, December 11, 1914; "George Winter Dies After Brief Illness," *Ogden Standard*, December 10, 1914.
43. Gittens, *Pocatello Portrait: The Early Years, 1878 to 1928*, 118, 121.
44. Alexander Murray to Ed Fletcher, September 21, 1915, Ed Fletcher Papers, Special Collections & Archives, UCSD.
45. Ed Fletcher to James A. Murray, November 12, 1915, Ed Fletcher Papers, Special Collections & Archives, UCSD.
46. Gittens, *Pocatello Portrait: The Early Years, 1878 to 1928*, 131-32.
47. Jackson, *Building the Ultimate Dam*, 158; "Many Thousand Acres to Be Made Productive," *San Diego Union*, January 1, 1918.
48. *Measuring Worth*, measuringworth.com (accessed April 24, 2016). Estimated using the Economic Cost measure. This is the relative opportunity cost of a project as a percent of the output of the economy. The viewpoint is the importance of the item to society as a whole, and the measure is the most inclusive. This measure uses the share of GDP.
49. James A. Murray to Ed Fletcher, February 17, 1920, Ed Fletcher Papers, Special Collections & Archives, UCSD.
50. Ed Fletcher to James A. Murray, November 23, 1915, Ed Fletcher Papers, Special Collections & Archives, UCSD.
51. "Late James A. Murray Was Second Richest Citizen of Montana; Dies in His 84th Year," *Redstone (Montana Newspaper Association Inserts)*, May 25, 1921.
52. "Blood Relatives File Contest of J.A. Murray Will," *San Francisco Chronicle*, June 9, 1921; "Forgery Charge Hurlled at James A. Murray Will," *San Francisco Chronicle*, June 17, 1921; "Mrs. Murray Cited to Testify in \$4,000,000 Fight," *San Francisco Chronicle*, July 30, 1921; "\$15,000,000 Murray Will Fight Believed Settled," *San Francisco Chronicle*, October 9, 1921; "Fight over \$15,000,000 Murray Will Is Settled," *San Francisco Chronicle*, October 11, 1921; Harry Donoho, "Futility of Attempts to Draw Contest-Proof Will Shown by Recurring Suits," *San Francisco Chronicle*, June 14, 1921.
53. Samuel H. Williamson, "Seven Ways to Compute the Relative Value of a U.S. Dollar Amount, 1774 to Present," *Measuring Worth*, 2015, www.measuringworth.com (accessed May 1, 2016). The Economic Power calculation was used for this estimate. Economic Power measures an amount of income or wealth relative to the total output of the economy. When compared to other incomes or wealth, it shows the relative "influence" of the owner of this income or wealth in controlling the composition or total-amount of production in the economy. This measure uses the share of GDP.
54. James E. Murray to Ed Fletcher, May 20, 1921, Probate Case File #3274, County of Monterey Superior Court.
55. Mary H. Murray to Ed Fletcher, October 15, 1921, Ed Fletcher Papers, Special Collections & Archives, UCSD.
56. "Deposition of Alexander Murray: James A. Murray Estate," December 5, 1922, Probate Case File #3274, County of Monterey Superior Court. A. Murray testified that attorneys demanded estate taxes before disbursement of inheritance, and threatened delays of up to 10 years if relatives did not settle.

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57. Mary H. Murray to Ed Fletcher, October 15, 1925, Ed Fletcher Papers, Special Collections & Archives, UCSD.
58. W.S.K. Brown to Ed Fletcher, October 25, 1922, Charles Frank Stern Papers, 1880-1960, UCLA Library Special Collections. The price would increase to \$700,000 if the CWC was not purchased before an agreed upon date.
59. Ed Fletcher to Charles Stern," April 3, 1923, Charles Frank Stern Papers, 1880-1960, UCLA Library Special Collections.
60. Charles F. Stern to Ed Fletcher, June 1, 1923, Charles Frank Stern Papers, 1880-1960, UCLA Library Special Collections.
61. Agreement between Mary H. Murray and Ed Fletcher & Charles F. Stern, February 1924, Charles Frank Stern Papers, 1880-1960, UCLA Library Special Collections.
62. "Report of Executor Accompanying His First Account," June 12, 1930, Probate Case File #3274, County of Monterey Superior Court. The Executor of Murray Estate stated in 1930 that the value of the Cuyamaca Water Company diminished by litigation. It was optioned to Ed Fletcher on Oct. 25, 1922. The first and only payment prior to the ultimate sale was \$150,000 on May 28, 1924. The next payment of \$150,000 was due two years later on June 1, 1926, and a final payment of \$400,000 was due on June 1, 1928. Fletcher and his new partner paid in full on January 4, 1926.
63. Fletcher sold the water plant to the Irrigation District for \$1.2 million and the distribution system to the City of San Diego for \$400,000.
64. "Ancient Note Is Basis for Action," *Evening Tribune*, January 13, 1925. Abraham Sauer raised Weitzel bribery attempt on May 25, 1925 and the discrepancy of the sales price after the sale of the CWC to the Irrigation District on January 4, 1926.
65. "Editor Sauer Makes Apology and Retraction; Proceedings in Criminal Court Dropped," *Evening Tribune*, February 3, 1928.
66. Fletcher, *Memoirs of Ed Fletcher*, 177; "Sauer Defense, Prosecution Trade Shots in Last Round of Fierce Forensic Battle," *The San Diego Union*, December 9, 1927.
67. James A. Murray to Ed Fletcher, June 10, 1910, Ed Fletcher Papers, Special Collections & Archives, UCSD.
68. "Defense Attorney Takes Heated Exception to Court Ruling on Sauer Testimony," *San Diego Union*, December 8, 1927. Sauer's defense team stated that they believed Fletcher's profit came from sale of the distribution system.
69. Fletcher, *Memoirs of Ed Fletcher*, 184.
70. "Probate Records for Mary Murray," December 15, 1952, File # 6962, Monterey County Superior Court.
71. "Executor's First Account," June 1, 1930, 20, Probate Case File #3274, County of Monterey Superior Court.
72. "Cub Boats to Bait Golfers," *San Francisco Chronicle*, November 1, 1926.
73. Salvador Dali, *Enid Haldorn*, Oil on canvas, 1948, Fine Arts Museum of San Francisco; Betty Hoag McGlynn, "Casa De Las Olas Part II: The Murray Saga," *Noticias Del Puerto de Monterey* 26, no. 3 (September 1985): 1-11.
74. Strathman, "Land, Water, and Real Estate," 124-25.

**Table 1**  
**Distribution Scenarios on Sales Proceeds of \$1,479,500**

	Original Partnership	Mary Murray Offer to Fletcher		Fletcher-Stern Partnership	
			Change from		Change from
Partners & Investment*	Distribution	Distribution	Original	Distribution	Original
(1)	(2)	(3)	(4)	(5)	(6)
Murray (\$681,000)	\$1,294,874**	\$711,957**	(\$582,917)	\$711,957**	(\$582,917)
Return on Investment (15 yrs.)	6.0%/yr.	0.3%/yr.		0.3%/yr.	
Fletcher (\$62,000)	61,335**	644,251**	582,917	352,793**	291,458
Return on Investment (15 yrs.)	3.2%/yr.				
Henshaw (\$62,000)	123,292	123,292		123,292	
Return on Investment (15 yrs.)	6.6%/yr.	6.6%/yr.		6.6%/yr.	
Stern (\$150,000)				291,458	291,458
Return on Investment (1 yr.)				94%/yr.	
<b>Total</b>	<b>\$1,479,500</b>	<b>\$1,479,500</b>		<b>\$1,479,500</b>	

Sale proceeds of \$1,479,500 is based on sale to the Irrigation District (\$1,100,000) and the City (\$400,000) less \$21,500 in bank debt indicated in the CWC's 1922 Financial Statements (Charles Frank Stern Papers, 1880-1960, UCLA Library Special Collections).

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**Column 1:** Each partner's estimated capital contribution. Includes original purchase and all cash contributed to maintenance and development of the system (flume repairs, dams, pipes, and operating deficits). Also provided is the number of years the partner was invested in the system.

**Column 2:** This estimates the total distribution, including return of initial capital, contributions, interest on contribution, profit, and partner loans affiliated with the CWC.

**Column 3:** Estimated distributions if Fletcher had been able to take advantage of Mary Murray's offer by himself.

**Column 4:** Change in distribution from the Original Partnership (Column 3 – Column 2) .

**Column 5:** Estimated distribution based on terms of Fletcher-Stern Partnership.

**Column 6:** Change in distribution from the Original Partnership (Column 5 – Column 2).

\*Murray's investment includes cash contributions to partnership and loan to Fletcher. Fletcher likely borrowed all of his contribution requirements and had no cash invested in the partnership. It is assumed Henshaw contributed cash and kept pace with Murray's contributions. Murray, Fletcher and Henshaw were in the project for 15 years. Stern was in the partnership for one year.

\*\*Murray's distribution is increased by \$62,000 for repayment of loan by Fletcher. Fletcher's distribution is likewise reduced by \$62,000 to account for loan payoff to Murray.