

## Chapter 10

# The Waterford Marriage

*One day in 1909 I was delivering a load of barley to the warehouse at Waterford and was returning home with an eight-mule team and two wagons when T. K. Beard and attorney L. L. Dennett overtook me at about the location of the Davis Drop near the Roen Ranch on the La Grange Road.*

*Mr. Beard told me he was trying to get farmers to agree to include their land in a water district in cooperation with him. I heartily agreed with him and with others, that all this arid but rich and fertile land needed was water to bring it into a land of fruit trees, pastures and gardens.*

In this manner, Alfred E. Ketcham first heard about the idea of creating a Waterford Irrigation District, which after 64 years of independent operation merged with the Modesto Irrigation District in 1978.

His dream of “a land of fruit trees, pastures and gardens” quickly turned to reality once water was brought to the land, but as was the case with the creation of almost all irrigation districts, it took time.

Irrigation was not new to Waterford, known as Bakersville until 1870 – there were too many “Bakers” towns in California. The name Waterford was chosen because the Tuolumne River could be forded there during much of the summer and fall.

Adrien Fauvre, a native of France, came to California in quest of gold in 1850 but in 1869 turned to produce farming in Waterford. “Monty” Fauvre immediately built what probably was Stanislaus County’s first true irrigation system. Certainly it was the most complex works of the day. Windmills pumped water from wells into several large storage tanks. Horses also powered a lift from the river. From both sources, he irrigated extensive holdings. But nothing of the scope envisioned by Beard, Ketcham and others in the first decade of the 20<sup>th</sup> Century had ever been tried in Waterford or any other community as small.

In 1913, four years after Ketcham first was approached about the proposal, the district was formed and the Roberts ferry farmer was one of the three original directors. He filled the post for more than four decades, one of the longest records of services as an irrigation district director in the State of California.

The project got off to a modest start, as Ketcham years ago told his son Donald R. Ketcham, who still lives on the property which has been in the family since 1856:

Most of us donated 5 cents per acre to run a surveyor's line around an area of land that we thought would irrigate successfully. T. K. Beard, at one time owner of 6,000 acres in the district, was the moving factor in the organization of the district. The project was made possible for he was willing to cut his property up into smaller irrigated farms and bear a great deal of the costs.

Thomas K. Beard, the son of Elihu B. Beard, who first settled in the Waterford area in 1852, was born on the family farm in 1857, the year in which the town of Waterford was established as Bakersville. Although the Beards subsequently moved to Modesto, the family maintained their Waterford area holdings. The original Beard home at the end of Tim Bell Road still is in the family. When T. K. reached the age of 20, his father gave him 1,000 acres to farm on his own.

T. K. always was a practical visionary as well as an innovative, enterprising worker. As he continued farming, T. K. branched out into the construction business and land development. As a contractor, he built the Modesto Irrigation District's Dallas-Warner Reservoir, Owens Reservoir for the Turlock Irrigation District and Goodwin Dam, which diverted Stanislaus River water for the Oakdale and South San Joaquin Irrigation Districts. While his construction work included roads and other public works throughout California, his specialty was reservoir, canal and other irrigation-related construction.

Recognizing that for stability wheat farmers had to look a different future and believing there was something better for the small settlement of Waterford than dry farming primarily by absentee landowners, T. K. began to agitate for the development of an irrigation system to serve the area.

The basic motivation behind the development of the WID was to convert large land holdings into small farms. In this manner, Waterford would become a prosperous and congenial community of family farmers.

Beard, Ketcham, Tim Bell Road grain farmers Jess M. Finley and Waterford blacksmith Joe Prouty – Ketcham, Finley and Prouty were to serve as interim directors during the organizational period – had seen irrigated agriculture develop in a few short years in the Modesto and Turlock Irrigation Districts. They realistically dreamed of the transition from dry-farmed land to orchards, vineyards and pastures. The concept was to sell 20-acre plots for \$500 per acre. Twenty acres was believed to be the proper size for a family which farmed alone without hiring additional help. Horses and mules were used for motive power.

And their dream was realized in the late teens and early 20s of this century as soon as water was brought to the soil.

Fresnan Robert H. Nicol, writing in the *Modesto Morning Herald* in December 1921, only three years after water first was distributed through the Waterford Irrigation District system, reported: “(Waterford) was a live community in the days when Bret Harte and Mark Twain lived in those hills... (but until) 18 months ago was only a memory of the past.”

Since the advent of irrigation, Nicol wrote, Waterford had become a “progressive community,” which had three stores, a lumber yard, a bank “located in a substantial cement building,” a drugstore, a newspaper, garages and other “minor business houses,” he added:

There are three church organizations with good buildings, the Baptists, Dunkards (or Brethren) and Methodists. A fine school building houses the pupils of the community with a competent corps of teachers. A lighting system has been installed and many civic improvements are planned for the community.

Like all live communities, this one has a live chamber of commerce...with 100 members (all of whom) take an interest in its meetings and work shoulder to shoulder for the upholding of the town and country.

All this, according to Nicol’s 1921 account, had occurred in a mere 18 months, due entirely to the delivery of water to the lands of the Waterford Irrigation District.

In 1917 the assessed value of the land was \$701,758. Five years later it exceeded \$1.1 million. Before the first water was delivered, there were 103 properties on which assessments were levied in the district. The number had tripled by 1922, as larger holdings were broken up into smaller, more-intensely farmed parcels. Many of these were only one to five acres in size.

Much of the rapid development between 1918 and 1920 was due to the formation of the Waterford Development Company by T. K. Beard. During those years, Beard subdivided much of the family holdings in cooperation with a colonization program headed by Levi Winklebleck, an elder in the Church of the Brethren.

The district was organized September 15, 1913. The vote was 63-1 for its formation. Although the ballot was secret, everyone believed they knew the lone dissenter, an individual who liked to be against most anything everyone else was for. Throughout its history, bond elections all received near-unanimous support.

In later years the WID was to have a few legal problems, but its formation was not delayed by litigation which had plagued irrigation districts that were created earlier. The issue of whether the Wright Act and the districts created under it were legal had long been resolved.

However, it was to be almost five years before the WID was to have water.

Even before the district was organized the first filing for water rights was made February 27, 1913, by ardent irrigation enthusiast Finley. Upon creation of the WID, Finley was to become its first assessor. Eight months later he became a director when original Director Al Gatzman's land was excluded from the district and he resigned. Once the district was organized formally, Finley transferred the water rights to it. This and a subsequent filing on November 13, 1913, were for the floodwaters of the Tuolumne River, which assured water only during the high runoff season that ended in June or July. There would be no WID water for irrigation after that.

The district had the water rights but no way yet to deliver the water to the land.

Only 14,000 acres, in size, the district was a narrow strip of land 16 miles long extending along the north side of the Tuolumne River from near La Grange to the eastern border of the Modesto Irrigation District. On the average, it was a mile and a quarter wide.

Running through the middle of the Waterford district for 15 miles between La Grange Dam and the Dallas-Warner Reservoir was the main canal of the Modesto Irrigation District. From Waterford's standpoint, it would be far more practical and economical to contract with the Modesto district to deliver water to Waterford via the MID main canal than to build an entirely separate large canal or to pump from the Tuolumne, which was 100 feet lower in elevation than most of the WID land.

When Waterford approached its much larger neighbor to the west, the Modesto district was most reluctant. It was not until Waterford threatened to go to the California State Legislature with a proposal to declare all irrigation canals to be "common carriers", and filed a Stanislaus County Superior Court condemnation suit against the Modesto district that the older district grudgingly agreed to deliver the young upstart's water via the MID's main canal.

When agreement finally was reached, a consent judgment of condemnation was entered in court. A minority of the Modesto board still opposed steadfastly and the vote to accept the compromise was 3-to-2. Waterford was unanimously in favor.

A formal settlement between the two districts was not reached until September 25, 1916. On the strength of preliminary agreements, however, Waterford voters four weeks earlier had approved, 81-to-18, a \$465,000 bond issue to pay \$254,000 to the MID for enlarging its main canal to carry 250 second feet of

water from La Grange to WID diversion points. The bond issue also included \$211,000 for the construction of Waterford's canals and laterals.

Construction on a delivery system could finally begin, three years after formal creation of the district.

Negotiations over the cost maintenance continued. The MID wanted Waterford to pay one-twelfth of all maintenance costs, which the small district could not afford. The final settlement was that the WID would pay a flat \$100 a month as its share of the maintenance of the Modesto's main canal, an agreement which remained in effect for 60 years until the merger of the two districts.

Work had progressed during the first three years with formal organizational paperwork and engineering. The fact that the district had three engineers during those years slowed the process through a lack of continuity.

In September 1913 upon formal establishment of the district, S. A. Hart became the first engineer, primarily to do the survey work. He was replaced in mid-1914 by A. Griffin, hired away from the Modesto Irrigation District. Griffin stayed two years. In August 1916, just two weeks before the first bond issue was approved, Everett Bryan, an Irishman who once got in a fistfight with a land-owner during a meeting of the board of directors, was hired.

The hard-driving, positive-mannered Bryan supervised construction of the district's system of 50 miles of canals and laterals, all to be served by the enlarged Modesto main canal. The Waterford work was done with district employees and various contractors, all under Bryan's engineering supervision but under the direct administrative control of the board of directors, which passed on the most minute details.

In 1917 and 1918 even a few miles to town was too far to commute, so construction crews camped out; the irrigation district supplied the camp cook. The board minutes show that a discussion of the finer personal qualities of an applicant for the cook's job ended when one director said bluntly: "If he can cook, hire him!"

Construction was difficult. Everything was done by hand. Canals were graded with the only land-leveling equipment available in those days, the old Fresno scrapers pulled by horse or mule. Although primitive, they did the job. A 1,900-foot long free-standing tunnel through solid hardpan was dug by crews

using picks, shovels and black powder. Rails were laid in the floor of the tunnel and donkey carts were used to haul out the blasted rock.

The first water was delivered to 800 acres in 1918. The primary crops irrigated were alfalfa, corn, hay beans and tree crops.

Even before that first irrigation season was over, it was obvious the “floodwaters” of the Tuolumne were not adequate to meet the district’s needs. By June or July the water was gone, even before crops matured. An additional source had to be found to carry irrigators through the rest of the summer.

Nearly half a century earlier, on June 8, 1871, Edmond Green and A. D. Allen had filed a claim on the Tuolumne River for the construction of a dam to divert approximately 66 second feet (3,000 miner’s inches) of water and a ditch to serve the mining districts around the town of La Grange. This is the earliest Tuolumne River water right now recognized. Through a succession of transfers, the La Grange Mining Ditch water rights were conveyed to the Sierra & San Francisco Power Company.

To augment its own floodwater filing, the WID in 1919 bought for \$170,000 the right to the La Grange Mining Ditch water for six months of each year, May 1<sup>st</sup> to October 31. Of this, three second feet were reserved for domestic water purposes in the town of La Grange. The ultimate 63 second-foot yield was enough to carry the WID through normal irrigation seasons for the immediate future.

Ultimately, on May 12, 1922, the Modesto and Turlock Irrigation Districts bought the La Grange Mining Ditch water rights to the 66 second feet during the other six months of the year to use for power generation. The original water rights filed in 1913 and those purchased in 1919 by the WID went to the MID at the time of the merger. Thus, the Modesto district now owns the oldest rights to Tuolumne River water.

The WID’s second bond issue was approved May 2, 1919, by a unanimous vote of all 65 who went to the polls. Of the total \$205,000 in bonds, \$170,000 was used to purchase the mining ditch water rights. The balance was used to complete irrigation laterals and canals.

Although the costs of operations and bond retirement were high during the 1920s, things went along smoothly until the depression days of the 30s.

The total bonded indebtedness of the WID at that time was \$670,000. Taxes needed to retire the bonds and to operate the district were substantial for such a small district. Most depression-struck farmers

and townspeople could not pay. By 1933, 61 percent of all WID taxes levied were delinquent. The WID was forced to take possession of 400 unimproved lots in the town of Waterford and 2,000 acres of farm land for non-payment of taxes. Thus, the WID owned approximately a seventh of the total area within the district. For the most part, these were plots subdivided by the larger ranchers but never sold. The ranchers chose to lose these lands and use their limited funds to operate their improved and more productive property.

At this point, the Waterford district, facing default on its bonds, called in the Federal Reconstruction Finance Corporation. The RFC reorganized the district's financial structure and sold off land which had been seized for non-payment of taxes. Town lots went for \$25 to \$35 an acre. Even at that price, purchases were paid for by installment. Town buyers primarily were Midwest dust-bowl refugees who had been working in the producing orchards of the region and wanted to settle down. Farm land which originally had been priced at \$500 an acre went largely for \$40 to \$50 an acre.

In addition to selling off irrigable acreage, the district in 1940 and 1941 excluded 3,466 acres, including rolling-hill lands which could not be irrigated by gravity flow. Some of these lands were still in private ownership, although taxes were in default, and some already had been taken over by the district. In either case, no one wanted the land as long as it was subject to irrigation taxes with no hope of receiving water. With the exclusion, tax delinquencies were wiped out and original owners retained title to the property.

After the 1978 merger of the Modesto and Waterford Irrigation Districts, some of these lands were annexed again and now, with plenty of MID water available, are producing almonds and Ladino clover with flood irrigation and sprinklers.

Settlement with the bondholders was the most difficult of the Reconstruction Finance Corporation tasks and involved considerable litigation from the mid-1930s to 1941.

When the RFC took over the district, it appraised the holdings and agreed to refinance only \$312,500 of the \$632,000 indebtedness, which meant a payoff of only 48 cents on the dollar. Many bondholders agreed, but some with larger bond portfolios held out for full payment. After several years of litigation, the Waterford district filed for bankruptcy under new federal laws enacted specifically to meet the needs of public entities such as the WID. The court forced acceptance of the 48-cent settlement. The

bondholders ultimately received 65 cents on the dollar, however; the increase was made possible by the sale of tax-default lands. The litigation consumed much time, effort and money for the WID and still left the district with a sizable indebtedness which was not retired until 1957.

Once water was brought to the lands, the acreage converted to irrigation rose dramatically. Only 800 acres received water in 1918, the first year deliveries were made. By 1920, acreage jumped to 2,400 and two years later nearly doubled with 4,663 acres under irrigation. By the time the two districts merged, 700 irrigators were farming 10,600 acres in the WID.

Almost every crop imaginable was tried. Early in the district's life, even cotton was raised briefly. Rain and cold weather came too early at the edge of the hills for the cotton to mature and be harvested. Most of the former cotton land now is in rice. Also tried were figs, apricots, almonds, walnuts, vegetables, permanent pasture, beef cattle, dairying, boysenberries, beans, alfalfa, melons and other typical California crops. As time passed, however, the primary crops became Ladino clover, almonds, walnuts, peaches and grapes, as is the case today.

Permanent Ladino clover pastures, introduced in 1928, became the predominant crop by 1952 with 3,584 acres in production, 53 percent of the total land irrigated.

Each new crop demanded more water.

Again by the late 1930s, Waterford needed more water than could be supplied even by the two water-right sources. During late 1939 and early 1940, Bill Lehmkuhl, who served the WID as engineer for 46 years, negotiated a novel contract with the TID.

Because of intensive irrigation in the Turlock Irrigation District, the control of groundwater levels required pumping that cost about \$1 per acre foot. Lehmkuhl persuaded the TID to sell to the WID an equivalent amount of water from the river for \$1 an acre foot – offsetting pumping costs – and irrigate from its drainage wells. Once more, the WID had enough water to meet its needs, but this situation was not to last for many years.

As the Waterford district struggled to keep pace with its water needs, the idea of merging with the Modesto districts surfaced. When first mentioned in 1959, there was reluctance on the part of both boards. The Waterford district did not wish to give up its independence. The Modesto board, entangled in problems leading to the construction of New Don Pedro Dam, was uninterested in any new venture.



Relations between the two districts were good, however. Since 1926 Modesto had been serving electrical energy to Waterford homes, farms and businesses. The Modesto district had come to consider Waterford as a “small neighbor” to be cared for – if it didn’t prove too costly.

Additional water was obtained in 1964 when the Modesto and Turlock districts sold to the WID up to 15,000 acre feet for delivery during normal years – whenever the Tuolumne River runoff from April to July amounted to 900,000 acre feet. This, however, was of no help in the one out of three years when the runoff did not reach that level.

Cecil Hensley, who served as WID secretary from 1955 until he succeeded Lehmkuhl as WID general manager in 1966, was convinced that a merger was the only solution and kept nudging Waterford toward the idea.

By the 1970s water supplies again were to become a problem as agriculture became more water intensive. At that point, really serious MID-merger talks began.

The Modesto district was prospering due to the sale of electrical energy. From 1959 until 1974 MID water users had paid nothing for their water. On the other hand, the WID irrigators were paying at much as \$14.88 per \$100 assessed valuation in taxes plus an additional \$4 per acre water charge even when the district maintained a staff of only seven employees.

With these facts of life in mind, the WID Board of Directors formally proposed a merger of the two districts.

From a financial standpoint, there was no argument about the advantages to WID irrigators of merging the two districts. Even more important, from Waterford’s point of view, was the fact that the merger would guarantee it a dependable supply of water. Possibly a half dozen Waterford people objected, but not too strongly. They disliked giving up their independent identity – it is hard to give up habits of more than a half century – but generally everyone was resigned to the fact that it was the only practical solution to Waterford’s fiscal and water problems.

The benefit to Modesto was that it replaced farm land which had been lost to urbanization and industrialization, giving the larger district a fine opportunity to put its water rights to beneficial use, as it must do if it is to maintain them.

The difference in taxes and the wide divergence of standards in the canal systems of the neighboring districts caused Modesto to “drag its feet,” as former MID Board President Mathew Fiscalini described it, until these problems could be resolved without imposing an unfair financial burden on MID taxpayers.

The marriage was not to be consummated until January 1, 1978.

The merger agreement provided for a 10-year program of upgrading Waterford’s distribution system, which consisted mainly of unlined dirt canals and ditches. The \$1 million program was completed in seven years, during which approximately 10 miles of the primary lateral canal and distribution ditches were lined or piped. This was financed by a special \$6.50 per acre annual assessment levied against the property formerly served by the Waterford district. The assessment was in addition to the regular MID water charges.

Once the work was done, the special assessments were ended and everyone in the Modesto district now is on the same financial and water footing.

In the nearly 70 years from the time that creation of the Waterford Irrigation District first was proposed, three names stand out: T. K. Beard, whose initiative, determination and financial assistance has been detailed, Alf Ketcham and Bill Lehmkuhl.

A. E. Ketcham was a young 29-year old grain farmer following a family tradition which had lasted for more than a half century when in 1909 he first was approached for support in creating the WID. He devoted the next 48 years to the district and to the cause of irrigation throughout the State of California.

Appointed by the Stanislaus County Board of Supervisors as an “interim director,” he served on the WID board from its creation in 1913 until 1957, with the exception of two years.

In April 1930 he resigned in order to bring suit against the Waterford and Modesto Irrigation District, contending their operations had an adverse impact on his Tuolumne River bottomlands. Alkali from rising water tables was a threat to land on which Ketcham had grown for 17 years the crop of which he was most proud, spinach. He blamed Waterford’s unlined canals and Modesto’s Dallas-Warner Reservoir just north of his farm.

A Stanislaus County Superior Court jury and the appellate court agreed with Ketcham's claim and awarded him a judgment of \$7,500 plus expense. When Ketcham resigned, William Rushing was appointed his successor. After the litigation was resolved, Rushing resigned November 12, 1932, and Ketcham was reappointed to the board. He served until he was 77 years old.

Bill Lehmkuhl deservedly was known as "Mr. WID."

An engineer working with T. K. Beard on a variety of projects, including the construction of dams and canals throughout the state, Lehmkuhl decided to settle down for a few years so that his two daughters might go through school without moving around. He had no intention of making it a prolonged stay. It was 46 years of building "Bill Lehmkuhl's district" before he retired in 1966.

Retirement came only after a serious heart attack which made him realize he could not maintain the seven-days-a-week pace he had set for himself for nearly a half century as the WID engineer and general manager.

When Lehmkuhl retired, he was succeeded as general manager by Hensley, who worked through the difficult merger negotiations and then for the next seven years supervised the improvements to the Waterford system. With the system up to standards, he was transferred to the MID's irrigation department.