

City Rights in Upper Delaware as Threat to Local Plans

Power Company Seeks Rights on Upper Delaware

Samuel Invites State to Join in Protest to Federal Commission

By JAMES C. BLELOCK

Philadelphia has made two new moves toward pegging down its claim on the Wallpack Bend area of the Upper Delaware as a future source of the city's water.

A formal protest from Mayor Samuel to the Federal Power Commission seeks to block a proposal of the Electric Power Co. of New Jersey, Inc. for electric power development and the sale of water to municipalities.

It attacks the proposal as monopolistic, usurping rights established elsewhere, contrary to law, and one that would more than quadruple the cost of water production to the city.

In a letter to Governor James M. Flaherty, Mayor Samuel, Attorney General T. McEwen Chidsey consider the advisability of filing a state protest with the FCC against the power company's application.

A copy of the city's protest, listing 22 reasons in support of its action, was sent to the Governor for study by the Attorney General, Legal papers and accompanying letters, prepared by City Solicitor Frank F. Truscott, were signed by the Mayor late Friday, it was learned.

Big Program at Stake At stake is a \$24,585,000 development program recommended by the former Philadelphia Water Commission and which is wholly dependent on the Wallpack Bend area.

Further, the city has applied to the Water and Power Resources Board of the Pennsylvania Department of Forests and Waters for the right to pre-empt water of the Upper Delaware in the Pocono Mountains.

The power company has made application for a license for a water power project on the Delaware River in Sussex and Warren Counties, N. J.; Pike, Monroe and Northampton Counties, Pa., and Orange County, N. C.

The city protests for the following reasons: The proposed project will nullify the city's plans to erect a water pumping dam.

The applicant has assumed that 37 such license granted to it would give it the ownership of water for power supply purposes and has offered to sell it to Philadelphia for \$135 per 1,000,000 gallons, when in fact it can produce the same quantity of water for \$22.

City's Rights Circumvented

3. The company has no authority to apply to FCC for water supply rights and on behalf of Philadelphia, and any such application is a usurpation of the city's legal rights. It also usurps the right to the U. S. Supreme Court to litigate the appropriation of water from the Delaware River drainage basin, and comparable rights of New Jersey, New York and Pennsylvania to appropriate waters.

4. The application is contrary to laws of all the States involved, and would operate to establish a monopoly on the water supply of the entire Delaware River Basin to a private corporation.

5. Congress has not authorized granting of a license to permit a private corporation to appropriate water for water supply purposes. Irreparable Injury Feared

6. It would be against public policy to endanger the water supply of millions of persons by allowing a private company to acquire the ownership of waters in a power dam for the purpose of selling the same as a water supply, and it would constitute a violation of property of the several States.

7. The building of the dam and the operation of its turbines would result in irreparable injury to the rights of the several States and their citizens who would operate to destroy the interests of property owners in the entire valley of the Delaware River, for the ultimate profit of a small group of individuals.

8. There is grave doubt of the financial resources of the applicant being sufficient to carry out the construction work, and the granting of the license would constitute merely a bargaining point to interfere with and delay the proper development of the said water supply sources by city and States.

9. The granting of the license would operate to convey public property to private use, contrary to public policy and to the absolutely proper interests of the public in an adequate water supply.

10. Construction of the dam would seriously curtail the navigability of the Delaware River.

11. Granting of the certificate would violate the rights guaranteed to the States and their citizens under the Constitution.

12. The grant would be unjust, improper and unlawful for many other reasons which the city reserves the right to offer at any hearing on the application.

INQUIRER WANTS 2 Groups Attack Mayor Boost Plan

Mayor Bernard Samuel's request to City Council for an immediate 20 percent increase in existing water and sewer rents to finance municipal water and sewer improvements has been attacked yesterday on two fronts.

The Apartment Owners and Managers Association went on record opposing the proposed boost as did the Democratic County Executive Committee. Both groups also had different reasons for fighting the hike in water rents.

50 Pct. Rise Possible in City's Water Rentals

INQUIRER BY WILLIAM F. FEIST JUNE 1, 1948

Legislation increasing water rents for both commercial and household users is being prepared by the City Solicitor's office and will be introduced in City Council within a few weeks, Director of Public Works Thomas Buckley disclosed yesterday.

Buckley refused to estimate the increased costs, but other sources said rentals probably would rise 50 percent.

CALLS BOOSTS IMPERATIVE It was indicated the boosts would be sufficient to raise about \$3,000,000 annually. Last year's water rent receipts totaled \$7,661,418.

Buckley declared that increased water rents were imperative if the city's water improvement program was to continue. Without the additional revenue, he said, the vast program would have to stop.

He said that only \$250,000 remained of the original \$1,000,000 voted by the electorate in 1940 to improve the municipal water system. Since then the program has been greatly extended, with the result that, partially owing to high prices, the city's water needs are being increased.

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City Water Rents May Rise 50% '48

BY WILLIAM F. FEIST Continued From First Page

The completed project probably will cost an additional \$42,600,000. He has about reached the end of available funds for the water improvement program," Buckley added. "We must find new money to continue the project or it will have to stop."

Director J. Taylor, chief of the Water Bureau, said the original program was expanded to include taste and odor control through chemical processes, including ozonation. This phase of the work is not only expensive, but involves a great deal of experimentation.

Much of the program, Taylor explained, was halted during the war and the scarcity of materials in the postwar period added to the delay.

NEW FILTER PLANTS Taylor said the water program provided for new filter plants with double filtration beds at all municipal pumping stations, but due to the war and scarcity of essential materials, the bureau had to be content with rehabilitations of the existing filtration plants. Ultimately all will be replaced.

The plan to expand the original program has been approved in part by Mayor Samuel's Water Commission as an alternative to looking to the citizens for another source of water.

It was the commission's opinion that the good drinking water produced from present sources if the suggested improvements were made.

Water Rate Hike Called Urgent

8 INQUIRER BY WILLIAM F. FEIST

A sharp increase in existing water rates is necessary to forestall a collapse in the city's water improvement program. The Inquirer learned yesterday.

With less than \$2,000,000 remaining of an original \$18,000,000 appropriation to rehabilitate the municipality's water system, city officials have reluctantly concluded that the rates must be boosted if the long-range water improvement program is to continue.

DISAGREE WITH '45 They disagree with the Committee of Fifteen's contention that a minimum amount of water allowed consumers for a flat rate of 88 annually would furnish the enough revenue to pay for the work.

While this would help, three state officials insist that construction costs have risen so sharply that a jump of 25 to 50 percent in existing water rents is essential to carry on the improvement program.

Both Director of Public Works Thomas Buckley and J. Taylor, Chief of the Water Bureau, estimate that a minimum of \$80,000,000 must be expended to carry out the program. In addition, it is needed to rehabilitate the water system and give Philadelphia a sanitary and address the water from the present source.

This expenditure would have to be made, they pointed out, regardless of whether the city ultimately goes to an upland source or uses the Delaware River exclusively for the municipal water supply.

Work already under way in connection with the program includes: installation of electric cleaning equipment at Lardner's Point. New filter units at Torresdale and Crippin.

Reinforcement of large mains and extension and improvement of small mains, principally in the city's north end, where new housing developments are under way.

Filtration improvements, including modern clarifiers, chemical testing equipment and cleaning of sedimentation reservoirs at all filter plants.

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Council Leaders Move to Increase Water Rents 20%

BULLETIN 7/13/48 Garban Calls Caucus On Proposal Despite Fear of Public Outcry

BY JOHN C. CALPIN

Of The Bulletin Staff

Despite fears that "the taxpayers would stand for it," leaders of City Council moved today to increase the water rents by 20 per cent or more.

The plan, which has been discussed quietly for two months, came out into the open when Frederic D. Garban, president of Council, called a caucus on water rates today in his office.

Invited were the members of Council, Edward Hopkinson, Jr., chairman of the City Planning Commission; Director of Public Works Thomas Buckley; Albert J. Taylor, head of the Water Bureau; William F. Meade, chairman of the Republican City Committee; Sheriff Austin Meade; J. S. Sullivan, City Solicitor; Truscott and Assistant City Solicitor Herman Schwartz.

Garban's others intimately acquainted with the city's finances fear, it is said, that if Water Bureau income fails to come up to estimates this year the city budget will be in stream clearance and reforestation program.

Borrowing Capacity In addition, too little water income is added in current payment of the city's borrowing power.

The water works, as long as it is self-supporting, can be carried outside of the city debt limit, no cost to exhaustion. If the water works were to lose money, any borrowing for improvements would have to be done within the debt limit.

The water works rehabilitation program, undertaken with a view to getting the taste and odor out of city water, has used almost \$1,000,000 in loan funds. Such failure of the water revenues to equal estimates would endanger any expansion of the rehabilitation program.

The 20 per cent increase tentatively proposed would be in flat rentals, which are fixed by the number and kind of outlets in use. In most cases, the amount of water service fees the amount allowed for a certain charge would be made. At present, residential household water metering service fees 60,000 gallons a year for about \$8.

Twenty per cent by no means a firm figure for an increase, however. There has even been discussion of a 50 per cent increase.

Whatever the decision of the caucus, the Council leaders fear that some of the members will fight any proposed increase in the rates. Garban remarked that he would oppose any increase in an election year.

City Council members are fearful that the ratepayers, in view of the city tax theft scandal, would adopt a "flat rate" plan under which you raise taxes or meter-charges.

Current sales of city water brought in \$6,798,708 last year. This will be the city's income for the year.

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Water Rent #2

Continued from the First Page

other income, made the bureau's total income \$7,687, 619. Delinquencies were \$719,851 for the year. For 1947-48, including delinquencies aggregated \$2,417,417.

\$1,624,610 Income The income of the Bureau for this year, based on a three-year average, has been estimated for budget purposes at \$7,624,510. A 20 per cent increase, it is thought, would bring an additional \$1,624,610.

An increase in water rentals apparently would also automatically increase the cost of water. The city's five-year, \$42,000,000 sewage construction program is based, however, on an annual cost of \$14,000,000, upheld by the State Supreme Court in 1945, provided that 60 per cent of the Bureau's municipal research program be covered during the first year. The sewer rents then increase by ten per cent until they equal the water rentals.

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Gov. Duff Leads at Phila. Water

AT PHILADELPHIA 4-5-48

Gov. James H. Duff today addressed the 500-member State Delegates' conference in Philadelphia on the subject of stream clearance and reforestation program.

Duff was bitterly critical of the water supply in many sections of the State, especially in Pittsburgh and Philadelphia, where river water is used. Speaking of the Pittsburgh water supply, he remarked: "It is as bad as you could make it if you tried your worst."

The Governor said the stream clearance and reforestation program included such activities as development of recreational areas.

In being opposed in some circles "because of the expense of such a program," he said, he is one reason why he wants the help of the AFL and other organizations.

PLEA FOR PLAYGROUNDS

Commenting on the need for more recreational areas, he said: "Instead of thinking of bigger and better schools, let us think of playgrounds to keep the children out of the streets. The Governor was praised by J. Edgar Hoover, U. S. State AFI, president, who said: "Our relations with the Governor have been excellent. It is my hope that the relations with the Legislature, he said he would sign any punitive labor legislation."

He said he believed the AFL is one of the greatest stabilizing influences in the country. "If you are not for it," he said, "I am for it." "I realize that when you have great 'W. S. business' you have great 'W. S. unions' too."

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\$253,300 In Loans Needed For City Works

6-Year Plan Requires

Total of \$323,000,000, Research Bureau Notes

Philadelphia will have to borrow at least \$153,000,000 if it hopes to complete its scheduled six-year program of public improvements, the Bureau of Municipal Research reported yesterday.

In an analysis of the municipal loan situation, the Bureau pointed out that projects expected to cost at least \$323,000,000 have been authorized, as well as \$153,000,000 in bonds, including those authorized in the present primary election, total less than \$170,000,000.

This available total, the Bureau said, consists of \$104,992,000 in loans authorized for the period, plus \$68,008,000 in bonds. Available projects, including those authorized in the present primary election, total less than \$170,000,000.

In last Tuesday's voting, approval was given to the borrowing of \$38,775,000 in new loans, and the voters also assented to another proposal which opened the way for this City Council borrowing power.

The Bureau of Municipal Research estimated that about \$81,000,000 of the money the city must borrow will be expended on water and sewerage projects. This amount, since it is largely carried by payments of water and sewer rents, is considered self-supporting, and would not be a charge against borrowing capacity.

It was indicated, however, in the bureau's report that it was necessary to keep this fund in the self-supporting class. Recently, several city agencies have urged increased water rents, pointing out that the water supply system is barely maintaining its status in operation as a self-sustaining unit at present rates.

In its analysis, too, the bureau emphasized that it was limited to estimates to the presently calculated cost of the improvement program and warned that expenses would increase considerably. The bureau also pointed out that actual improvements in the next six-year period will considerably exceed the amount scheduled.

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