

Water Rent Increase Definitely Urged by Committee of Fifteen

INQUIRER - 7-29-48
A resolution approving a program to increase water rents by at least 20 percent in an effort to make the water system self-sustaining was approved yesterday by the Committee of Fifteen.

At the same time, the committee agreed to postpone action on compulsory retirement for the Bureau of Police and Fire and a report regarding the Police and Firemen's Pension Funds until its next scheduled meeting.

TAKING LONG RECESS
It was learned that the next regular meeting will not take place until after Labor Day. However, the committee's executive committee, led by its chairman, Col. Robert K. Sawyer, its executive director, to call an extraordinary session if it is deemed necessary.

The action on the water rents proposal was taken after the resolution was presented by Arthur W. Blinn, committee chairman. The matter is now being considered by City Council, but it was also disclosed that the City Planning Commission had suggested at least a part of the proposal. Unanimous approval of the resolution was reported.

FULL REVISION URGED
The approval was voted with a provision that the recommendations be fully examined by the committee "proper revision" of the entire water rate structure "be sincerely and vigorously made necessary to a conclusion." The resolution read:

"While we recognize that the vast increase in our water and sewerage system requires the expenditure of many millions of dollars and therefore makes it necessary to increase at this time the income from water, we, as a committee, believe that the present rate structure is not in the general efficiency of the Water Department with opportunities to better the collection of water rates. The committee will therefore continue its efforts to that end. In order that there be no delay or interruption of the capital improvement program of the water system, we approve the proposed 20 percent increase in water rents, provided the recommendations of the City Planning Commission with reference to proper revision of the entire water rate structure be sincerely and vigorously prosecuted to a conclusion. We have instructed our staff to cooperate with the proper officials in the Water Bureau and the staff of the City Planning Commission to that end."

INDUSTRIALISTS ORGANIZE
The action was taken, a group of industrial users of water formed a committee to investigate the situation and to report on its effect on them. They announced opposition to any increases until a thorough study should be made of the situation.

Lindsay H. Mason, vice president of the Philadelphia Textile Manufacturers Association, was named chairman, and Conroy Davis, of the Laundry Board of Trade, was chosen secretary.

POLICE PENSION FUND
A short discussion preceded the agreement to postpone action on the Police and Firemen's Funds question, which was submitted to the committee by Colonel Sawyer.

In reaching the postponement decision, the committee also recommended that the sum of \$100,000 be set aside for the Police and Firemen's Pension Funds. The committee also recommended that the sum of \$100,000 be set aside for the Police and Firemen's Pension Funds.

RATES WOULD DOUBLE
Another proposed ordinance referred to the Finance Committee was submitted to the committee by the property owner of all water and sewer pipes laid in the city. Because the present rates were raised years ago, the city is now losing money every time it installs either kind of pipe, it was said.

Proposed new rates would be double the present charge of \$2 per running foot for water pipe laid outside the curb line and \$2.75 per running foot for pipe laid inside the curb line. The charge of \$4 per running foot for sewer pipe would be boosted to \$8.

Both funds be placed on active duty and replaced by civilians in their funds.

5' to Have Water B Ready in 30 to 60 Days

INQUIRER - 7/31/48
20 Percent
Over-A
Rise Sought

EDITORIAL BULLETIN - 7/30/48
Water and Water Economics
In the effort to make Philadelphia's water and sewer debt self-supporting, the city, concentrating on a single item in its formula, the gross income, might decide to raise 20 per cent rise in income is necessary, and raise present water rents by 20 per cent.

That would be a rough and ready approach but hardly a fair one for consumers, because the problem is to get enough from water rents to pay debt and operating costs of waterworks and sewerage system, it is obvious that the boost in rents can be smaller if operating costs are reduced. Hence no raise in rents without consideration of other operating costs is justified.

Perhaps investigation would reveal that personnel and administrative costs could be reduced. However that may be, experts here are telling the city for many years that operating costs can be cut by reducing water waste. Too much water is pumped, purified, delivered to consumers only to run down drains and put unnecessary burdens on the sewers.

Universal metering is one way to cut waste. Another is to establish a schedule of rates which will discourage waste. When the possibilities of cutting operating costs have been explored, it will be easier to decide how much the gross income needs to be increased, and how the rates should be revised for each class of consumer. Council has

MINIMUM RENT \$8
Sawyer said that the over-all increase of 20 percent in revenues from the use of water will not necessarily mean an increased fee to all water users, but, on the contrary, may mean that some domestic users a smaller fee than is now paid. The present minimum water rent is \$2 a year, based on a presumed use of 8000 cubic feet, or 80,000 gallons, by the household. Some 215,000 users pay this minimum fee without the use of water meters to gauge the actual amount of water they use.

AVERAGE CONSUMPTION
Sawyer said that the average domestic user of water consumes about 4000 cubic feet, or 30,000 gallons, a year. He voiced a hope that those under the proposed rate, increased by 20 percent, would be charged only for the water used.

This, however, he pointed out, would require compulsory metering throughout the city, and the installation of 215,000 meters in homes, a project which would take at least five years to complete. One of the delays in accomplishing such a program, he pointed out, is a current scarcity of the type of water meters required.

WHO OWNS METERS?
Another problem to be worked out, he said, is that of: Who owns the water meters? At the present time the meters that maintain the minimum water rate of the dwelling or factory usually are owned by the water user measure.

"The problem is," he said, "one of whether the city should take ownership of the meters—the present ones as well as the approximately 215,000 which will have to be installed under compulsory metering."

That, said before an ordinance is presented to City Council for action, all the problems of water rate increase will be taken under consideration by the Committee of Fifteen, the City Planning Commission, Charles A. Howland, chief of the commission's division of projects, and Ebert J. Taylor, chief of the Water Bureau.

ESTIMATED INCREASES LISTED
It was estimated that the increase in revenue would be obtained as follows: about \$184,000 from the 40,000 meter renters, about \$350,000 from the big water users and about \$70,000 from water users who have no meters. The Chamber of Commerce last recommended a sliding scale for water users "so as to avoid adding any serious burden to the city, or for not locating within it."

"We are convinced," Conole informed Crossan, "that this is by no means a wild threat. Records definitely prove that Philadelphia has to maintain each of its industries on a basis that is more than a profit. It is necessary to get an exodus of industry or a halt in industrial development would have an adverse effect on the city's income and payroll."

'15' Urges Water Rent Rate Boost

An increase in water rents ranging from 10 to 25 percent was commended yesterday by the Committee of Fifteen on the basis of a report by Nathan B. Jacobs, consulting water engineer for both the public works and the Department of Public Works.

Such an increase, it was made, would add \$14,000,000 to the city's annual revenue and bring aggregate water receipts up to a total of \$92,000,000 a year. A figure was considered sufficient to maintain the water system and its self-supporting project.

SLIDING SCALE URGED
The proposed increases will probably be introduced in City Council in the form of an ordinance, but the proposal already faces objections on the part of the Chamber of Commerce. A letter from Joseph V. Conole, general manager of the chamber, to Councilman Clarence J. Jacobs, chairman of the City Council's finance committee, pointed out that such an increase "might easily devolve to the disadvantage of Philadelphia."

On behalf of the Chamber of Commerce, Conole said he would continue on Page 4, Column 6

Commerce, Conole warned that a flat increase of 25 percent in the rates paid by commercial and industrial users of water "would work adversely in our efforts to maintain existing industry and encourage new plants to come to this city." Instead of a flat increase, Conole said, the chamber was recommending a sliding scale for large water users.

Under the Jacobs plan, which will be held by the City Council, the small metered houses and other residential users would see their water rates increased about 10 percent. Large users of water would see an increase of 25 percent, while unmetered water users would have to pay 25 percent more.

WOULD HALVE MINIMUM
There are an estimated 250,000 unmetered users of water in Philadelphia. For metered homes and business establishments, the rate is \$2 a year, based on a presumed use of 8000 cubic feet of water. At present, the average metered dwelling is allowed 8000 cubic feet of water a year. Under the plan, the same home would be charged 48 for 4000 cubic feet of water and 24 for 2000 cubic feet.

This, a householder who uses only 4000 cubic feet would pay increase whatever, whereas a private owner who actually uses 8000-foot minimum allowance would pay \$18.00 more.

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Also presented to the Committee was a series of recommendations calling for a rewriting of the existing zoning law. And several major changes in the Bureau of Administration.

'15' May Urge increase of 25% in Water Rates

Legislation to effect a general rise of 25 percent in Philadelphia water rates will be introduced by City Council next Thursday, it was indicated yesterday by the Committee of Fifteen, at the close of a hearing in City Hall where several organizations offered their views on present rates.

Some change in the rate of increase may be effected if the Committee of Fifteen hears conflicting testimony at its next scheduled meeting on Wednesday, but there was little doubt yesterday that the committee would fight for a general rise of some sort.

The purpose of the increase, which was supported yesterday by large industrial organizations and the Philadelphia Chamber of Commerce, is to help liquidate the \$30,000,000 indebtedness of the City Water Bureau within the next five years. At present, the city is spending more on its water expenditures.

Representatives of the Chamber of Commerce and the Philadelphia Association of the city's finance committee, pointed out that such an increase "might easily devolve to the disadvantage of Philadelphia."

On behalf of the Chamber of Commerce, Conole said he would continue on Page 3, Column 8

into effect, with the provision of a sliding scale for smaller consumers. Earlier, the Committee of Commercial-Industrial Water Users, a newly created group representing 15 textile manufacturers, laundries and other water-consuming industries, showed concern over the need for such increases.

The action of the Committee of Fifteen on the water rates will be brought to the attention of City Council.

"While we recognize that the vast improvement in our water and sewerage system requires the expenditure of many millions of dollars, and therefore makes it necessary to increase at this time the income from water, we, as a committee, believe that there is much room for improvement in the general efficiency of the water department."

Will Continue Efforts
It was pointed out that there should be opportunities for the better collection of water rents. "Our committee will therefore continue its efforts toward that end," the resolution said.

"In order that there may be no delay or interruption of the capital improvement program of the water system, we approve the proposed 20 percent increase in water rents, provided the recommendations of the City Planning Commission with reference to proper revision of the entire water rate structure be sincerely and vigorously prosecuted to a conclusion."

Engineer Will Draw Up Water Rate Schedule
Nathan Jacobs, member of Morris Knowles Co., Pittsburgh, a firm of engineers, has been named by the Committee of Fifteen to draw up a proposed new water rate schedule here.

Jacobs, who has been consulting with the Department of Public Works, was ordered yesterday to work out a schedule that would bring in an annual revenue of \$90,000,000. Present revenue is \$77,000,000 and \$75,000,000. The City Council's finance committee will hold a public hearing next Wednesday on an ordinance to raise water rates a flat 25 percent. This would be a stop-gap measure,

'15' Backs Boost In Water Rate

**APPROVES 20 PER CENT
BUT CRITICIZES BURCU**

The proposal to raise city water rates 20 per cent drew qualified approval from the Committee of Fifteen and a number of several industries that may lead to outright opposition.

The committee yesterday passed a resolution approving the increase but indirectly criticizing the Water Bureau. Representatives of firms that use large quantities of water met to form what they called a Committee of Commercial-Industrial Water Users, and named Lindsay H. Mason, vice president of the Philadelphia Textile Manufacturers Association, as chairman.

Concern Expressed
The group, said Mason, "is very much concerned about the proposals to increase water rates and is opposed to any increase unless a thorough investigation shows convincingly the need for such increases."

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