

Suburbs speak out on water hike

By TIM RICHARD

The suburbs may have an unexpected ally in their fight against a 30 per cent water rate hike sought by the Detroit water board.

The ally could be the Detroit Common Council, two of whose members indicated great sympathies with the water department's procedures and behavior.

Councilman Jack Kelley told the water board at a public hearing Tuesday, "I'm honestly ashamed" of Charles Scates Jr., director of the Detroit Water and Sewerage Department.

Kelley repeated the complaint of many suburban speakers when he attacked the water board for voting to recommend the rate increase before an outside audit had been completed.

"WHAT GOOD is paying for these audits if your commission has already approved the increase?" Kelley asked.

The Detroit council has final authority to raise the wholesale price of water. The water board recommended the rate hike take effect May 1. Common Council will hold a hearing before acting.

Councilwoman Erma Henderson indicated through a spokesman that she is spot with the rate of the proposed rate hike.

Kelley apologized for the "arrogance" of Scates, who told a suburban councilman seeking the director's presence at a meeting, "We didn't know whether a car or a 7½-ton truck would be needed to transport the information you need."

Speakers from Oakland County, Troy, Canton Township, Garden City, Livonia, the City of Plymouth and Westland were among two dozen speakers.

Detroit water 'still a bargain'

Even if rates are increased 30 per cent, Detroit's water customers "are still getting a bargain," says Charles Scates Jr., who heads the water department.

Detroit's customers pay a wholesale rate of \$1.72 per 1,000 gallons and would pay \$2.28 after May 1 if a proposed 30 per cent increase is approved by the Detroit City Council.

In the Great Lakes area, Chicago charges \$2.82, Cleveland \$2.88 (with the probability of an increase) and Milwaukee \$2.88 (also facing an increase).

New Yorkers pay \$3.23, Philadelphia \$2.91, Des Moines \$2.85 and Los Angeles \$4.84.

Scates cited a 1974 Dallas survey

which showed Detroit has the lowest water rates of any city with more than 250,000 people—"proof of our efficiency," he said.

In the four years since the last rate increase, Scates said, labor costs have risen 30 per cent, fringes 25 per cent, electric power 30 per cent, chlorine 32, steam 30 and fluoride 32 per cent.

The water department plans to invest \$120.9 million during the next 14 years for capital improvements.

In response to a question, Scates said the city figures a "return on investment" of eight per cent—with the prime rate to industrial loans were at a bank being between eight and nine per cent.

PLYMOUTH CITY Mayor Fred L. Yockey and Livonia Mayor Edward McNamee cited a story in some editions of Monday's Observer & Eccentric reporting that the CPA firm of Arthur Young Associates had found Detroit's water department to be the most wasteful in the fiscal year that ended last June 30.

They noted if this had been taken into consideration when the rate hike was proposed.

Scates replied, "We received the report yesterday (Monday). I hesitate to comment until we've completed our review with the accountant."

Scates' response indicated he hadn't seen the report until four days after it had been sent to the city.

Yockey, Detroit's editor of the Plymouth Observer & Eccentric, who wrote the news story.

TROY CITY Mayor Frank Gersbacher urged the water board to "tether your rate study and then make a decision."

Gersbacher and others objected to the water board's agenda for the hearing—allowing to customer comments first and closing with the staff presentation.

"If you give us the information first,

we'll give you our comments—and our support, if necessary," said the Troy manager.

Canton Township Supervisor Robert Greenstein suggested the water department staff's presentation was last on the program "because you don't want us to answer you."

Chairman Charles Scates said the board thought the public would want to speak first. "But we passed wrong for that we apologize."

"MORE EFFECTIVE" suburban representation on the water board was asked by Garden City Mayor Samuel Pappas.

The water department is owned and operated by the City of Detroit. Its seven board members serve at the pleasure of the mayor by city charter. At least four members must be Detroit residents, leaving a maximum of three suburban seats.

Pappas' remark got no comment from the four water board members present, but Detroit Mayor Coleman Young's administration has often said it would never consent to giving up control of the utility.

YOCKEY, A WATER board member

Arbitration change up for Senate action

How important is a Michigan Supreme Court decision? Even when it's made by only two justices, it's important enough to prompt the House of Representatives to amend a police-fire arbitration law to remove a constitutional "cloud."

The house voted 90-14, with two Oakland representatives dissenting, to repair Public Act 312 of 1960 to provide a more solid—though more complicated—method of picking arbitration boards.

Favoring (H.R. 580) were Reps. W. V. Brotherton (F-Farmington), Joseph Forbes (D-Oak Park), Mel Larsen (R-Oakland) and Sal Rocco (D-Brotherly Heights).

Opposed were Reps. James Delebaugh (R-Bloomfield) and Ruth McNamee (R-Birmingham).

THE PRESENT law provides that in municipal negotiations, the local government appoints one arbitrator, the police or fire union a second and the Michigan Employment Relations Commission (MERC) a third.

But the law came under attack in a Dearborn case, and two of four high court justices hearing the case cast doubt on its constitutionality. The question is over the accountability of the MERC-appointed arbitrator.

The new bill provides that MERC will present three names to the municipal and union negotiators. Each side may reject one name; the remaining name becomes the third arbitrator.

The bill was supported by organized labor and MERC. The Michigan Municipal League took no position. The bill goes next to the Senate.

BROTHERTON SAID the third arbitrator is important because he casts the deciding vote on terms of a new contract.

The former Farmington mayor said the new system will lead to result in more acceptable, middle-of-the-road decisions.

Delebaugh, however, had doubts about the lack of constitutionality of the present

system. "After Justice Thomas Kavanaugh died, and when Justice John Brennan was absent from the bench during the grand jury probe, a lot of decisions were made on a 3-2 or 2-2 basis."

"I'm no lawyer, but what lawyer would put a lot of stock in decisions written by only two or three justices out of seven on the court?"

"Until they show me a need for this bill, I have to sound like a Neanderthal," Delebaugh said.

Mrs. McNamee said the change "was nothing I get excited about." But the former Birmingham mayor said she had opposed an arbitration law when it was passed in 1960 "because arbitration takes away from home rule."

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