

# Legislators gain water board audit

Suburban legislators won their battle Monday to have an independent audit of the Detroit Metropolitan Water Department's books.

The 4-1 vote of a special House of Representatives study committee came during a two-hour public hearing in Livonia to gain information about the department's operations.

The committee, headed by Rep. John Bennett (D-Redford Township) was created in early March at the height of the on-again-off-again dispute over proposed increases in the water rates.

REP. ROBERT Geake (R-Northville) initiated the motion for the audit by the state auditor general after the committee failed to get the information it wanted from the water department.

The four suburban committee members, Bennett, Geake, Rep. John Kelsey (D-Warren) and Rep. Ruth McNamee (R-Birmingham) supported the motion for the audit.

Opposed was Rep. Josephine Hunsinger (D-Detroit) who said she would carry her fight to the floor of the House.

Two committee members, one from Detroit and one from Taylor, were absent.

After the vote, the committee heard from several western Wayne County officials the need for outside control or supervision of the department.

MAYOR EDWARD McNamara of Livonia, who is the primary opponent of the proposed rate hikes and organized forces to continue the battle, suggested that the State Public Service Commission oversee the department.

The PSC currently regulates rates for the telephone, gas and electrical utilities.

McNamara strongly suggested that an outside audit be done of the department since all cities are subject to outside audits.

The mayor said his law department was ready to go to court to fight the approved 30 per cent rate hike to challenge the "arbitrary" increase, rescinded three days later.

McNamara said the increase was approved last week about a month after the water board of commissioners approved a budget containing a 1.8 million surplus and no rate hike.

He showed the committee the department's voluminous budget and two books of "explanatory notes" but said there were still conflicts in information.

STRONGLY OPPOSED to Detroit-dominance of the water board which has 95 other cities as customers was Supervisor Robert Greenstein of Canton Township.

"I can't tell if the suburbs are getting ripped off but I must have the cost breakdown (of water) to tell if the rates are equitable," he said.

Greenstein said Detroit "has its fat hand out for suburban money," citing federal programs like Comprehensive Employment Training Act for jobless persons and block grants under the new Housing and Community Development Act.

"No one is asking for charity except Detroit," he added. "The suburbs are willing to pay our share."

Greenstein suggested five requirements for water department control if it isn't placed under the PSC, which a committee member and witness felt wouldn't control future rate increases.

The supervisor said the water department should provide "clear breakdown of costs," a "clear and fast budget," equal board representation

for the suburbs; credit to the suburbs for their contribution to the water system; and an annual independent audit of the department, which Greenstein said is "absolutely essential."

The supervisor said Canton has managed to hold off any rate increase for its water customers in the past 10 years but a boost may be proposed soon.

GEAKE, IN defending his motion for a state audit, said the "Legislature and particularly this committee need factual, objective information on the true costs of the water department."

He said the suburbs "must be protected from arbitrary and unreasonable rate hikes."

His comments, made after the hearing in the Livonia Senior Citizens' Activities Center, included a slap at the PSC, which recently approved major rate increases for other utilities.

"I don't have any more confidence in the PSC than I do in the Detroit water board when it comes to protecting the suburban consumer," he said.

"I believe that the suburban communities who use Detroit water should have direct representation on the board with control over the rate setting process. It appears that the suburbs are subsidizing the low rates paid by Detroit residents," he concluded.

"I believe that the suburban communities who use Detroit water should have direct representation on the board with control over the rate setting process. It appears that the suburbs are subsidizing the low rates paid by Detroit residents," he concluded.

The board has four members from Detroit and three from the suburbs. McNamara is a board member representing western Wayne County.

It was noted during the hearing that the new Detroit city charter requires that at least four members be Detroiters.

MRS. HUNSINGER argued that Geake's motion to have an audit of

the water department was out of order since the committee is charged only with holding hearings and reporting back to the Legislature.

The committee isn't supposed to take action during the hearing, she said.

Bennett disagreed, saying that the action is part of the committee's fact-finding responsibilities.

Mrs. Hunsinger urged that the motion be delayed until the full committee is present.

She said that "this has never been done at a hearing before and I will report it to the Legislature."

Ernest Cedroni, water department director, told the committee that Detroit has the lowest water rates in the nation.

HE SAID that he would have a breakdown of the water rates in an easy to understand explanation for the committee.

Cedroni said he has no objection to an outside audit, adding that he asked the Detroit city administration for one but hasn't received an answer.

Under the Detroit charter, the department is audited by the administration annually with an independent audit made every five years.

McNamara commented that the water department budget includes \$90,000 a year for an audit although the last one was done for the fiscal year ending June 1972.

Cedroni was questioned about the need for 112 new employees if the number of Detroit water customers is dropping.

## GRAND OPENING

THURSDAY MAY 1 through SATURDAY MAY 3

PRIZES TO BE GIVEN AWAY

- 3 \$100 Gift Certificates
- 6 Bottles of Spring Mist
- 4 \$50 Gift Certificates
- 1 Dozen Roses
- 5 \$25 Gift Certificates
- 1 Bottle Champagne

Ryans  
**SPRING**  
**CREST** Draperies

VILLAGE FASHION MALL, 19183 MERRIFIELD AT 7 MILE, LIVONIA, 478-2740

# HUDSON'S bargain-hunter days



**1/2 off authentic sterling silver and turquoise Indian jewelry— a \$250,000 purchase Northland and Eastland only Thursday, Friday, Saturday**

Outstanding savings on silver and turquoise rings, pendants, necklaces and bracelets from The Tejas Trading Company. Classic designs you'll treasure forever. Take advantage of this remarkable savings opportunity in Costume Jewelry at Hudson's.

**HUDSON'S**

**SPECIAL PURCHASE SALE**

**NYLON ATHLETIC SHOES \$16.90 GREAT VALUE**

The all purpose nylon and suede training shoes—use for jogging, active sports or casual wear... this season's winner in Blue or Red and White combinations. Very light weight, padded, colors, padded tongue, rubber wrap around soles and terry cloth insoles, all for extra comfort.

Boys, Girls or Mens sizes 2 1/2 to 12.

**Sherman Shoes** Others City Bank, Amherst, Major Charge  
115 W. Maple • 646-8431  
Birmingham Thurs. & Friday 10:00  
Somerset Mall Thurs. & Friday 10:00  
Troy