

THE BASIS OF WATER CHARGES IN URBAN AREAS FROM THE POINT OF VIEW OF COMMON UTILITY*

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I FEEL convinced that any discussion on water charges will be largely barren of any useful result unless there can be found some common ground of agreement with respect to the general principles upon which moneys should be raised for a great public service of common utility.

If we can show that the public water supply is not the least important of the great public services, and is not primarily of individual benefit, we are entitled to say that no class or individual of the community should be allowed to escape from a due and proper share in the cost thereof.

We are in danger, and by we I mean the people who enjoy the benefits of water supply on the one hand and ourselves who administer the supplies on the other—by a long and close familiarity of the many and great blessings accruing from a modern water supply—of losing sight of that characteristic which distinguishes it from all the other public services—*viz.*, that of its indispensability.

Our modern water supplies are essential to life itself; they are essential to the public health; they are essential to the security of property; and they are essential to the increasing comfort and well-being of the community.

You may think I am exaggerating this danger. Let us take a typical example of the consumer. Here is a man who has a combined residential and business premises. Finding that the value of water consumed per meter is less than what he is asked to pay as a minimum charge, and finding also that he has already paid for the public sanitary purposes, he desires to know what the balance is for. He is often told that if his premises are threatened with fire, the water used for extinguishing the fire will be supplied free of cost. But this answer does not satisfy him, because his property is covered by insurance, and he points out that except he goes to the expense of a sprinkler installation the premium he pays is very little less than he would pay for a house in the country miles from the nearest water main and miles from the nearest fire-brigade station.

Benefits of a Water Supply

On the face of it, then, the individual has no interest in the public water supply so far as it might protect his own property. But is this really so? Can we imagine the effect of any of our great urban areas being suddenly deprived of the water mains simultaneously with a great outbreak of fire? . . .

Without pursuing the matter any further, it is evident, I think, that no individual can deny his obligation to the public water supply, inasmuch that, despite the aids from fire insurance and the fire brigade departments, the great fundamental safeguard to property is the existence of an abundant supply of water at an adequate pressure.

Now note that in this typical case of the consumer the individual pays for police protection, for public lighting and paving, for the purposes of public health, for old age pensions, for the care of the poor, for the education of his neighbor's children, even supplying them with free meals,

and so on. But in regard to the water supply he questions his obligations. Yet his obligation to the water supply as a safeguard of public property is not the only one.

Take the public health. I find it a difficult matter indeed to put in a few paragraphs what can only adequately be dealt with in a much larger space, and I am awake to the difficulties of justly attributing to the water supply its particular benefits on the public health, and of appearing to be unfair to the other important agencies—*e.g.*, the removal of refuse, sewage disposal, the better housing of the poor, education, etc.; but when all is said for these other agencies, it must still remain true that most of the labor of the Health Department would be wholly undone in the absence of a good water supply. When first introduced there was a great prejudice against drainage, many of the sewers being nothing more or less than elongated cesspools, and remained generally ineffective until water mains were laid in the streets.

The Meter System

I believe the great majority of those whose duty it is to administer our water undertakings are opposed to the idea of the universal supply of water by measure—a system which is largely in use in Germany and America—for it is recognized that in order to supply water to the poorer classes absolutely without restrictions and at the lowest possible price—invariably at a loss—the present basis of charging on the rateable value for domestic supplies is never likely to be improved upon.

But nevertheless there are a number who, while refusing to go to the extent of metering every service pipe, are obsessed with the idea that the revenue from each class of consumer—*viz.*, the domestic consumer, the occupiers of combined business and domestic dwellings, and lock-up shops, and the trade consumer—should bear an equal proportion of the cost per unit of assessable value. Now there are two main questions to answer here: (1) Who is to bear the loss on the lower rated domestic dwellings, and (2) who is to bear the loss of water by unavoidable waste?—a large item in some towns.

One of the strongest reasons for the writing of this paper is the necessity I see of attacking the tendency to regard the supply of water by measure as the only equitable, or the most equitable, means of raising revenue therefor.

This view was prominent in the Metropolis Water Bill of 1884, promoted by the Corporation of London, for regulating the water supply of London, but this bill, like the purchase bills of 1878 and 1880, was a failure. It was proposed to supply water by measure, it being urged that a charge based on the rateable value was not fair, being irrespective of the consumption. The consumer had the option, however, of taking the water by meter with a minimum charge at 6d. per 1,000 gallons, or being charged upon the rateable value.

The water companies cried out against the proposal to supply by meter as a measure of confiscation, and warned the corporation that it would result in a large public rate for sanitary purposes owing to a certain stint in use of water under a meter system. The corporation tried to meet this argument by recognizing "that sanitary requirements demanded that water should be used without stint, and that it is necessary that the wealthier consumers should, by paying an enhanced price, cheapen the cost of water to their poorer neighbors, and encourage them to use it freely." This in turn was denounced as socialistic.

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