

polluted water supply and recreational areas, the villain usually is an upstream community over which the urbanite has little control.

Many central cities sell water and sewage disposal service to the suburbs under a contract system in which the central city controls the development and operation of the utility system. The relationship with the suburb is a commercial one. Individual and corporate customers outside the city normally have no representation on the city agency which operates the system. Nor do they have a voice in the development of plans and capital budgets.

In recent years the prevalent practice has been for the central city to wholesale water or sewage service to suburban communities, utility districts, or private companies, which in turn distribute water or collect sewage from individual customers. At present, under varieties of the wholesaling system, Chicago, Cleveland, and Portland, Oreg., supply water to almost 60 suburban communities each, New York City to 36 neighboring areas, and San Francisco to 40 cities and water districts. Fairly typical are the water contracts in Detroit and the sewage contracts employed in Minneapolis. The standard schedule of rates and charges established by the Detroit Water Board sets higher rates for the suburbs than for the city. In addition, the suburbs pay an extra charge if Detroit provides peak-hour storage facilities. When Detroit builds transmission mains outside the city limits to furnish water to a suburb, the community will pay a distance and elevation charge to cover the cost of construction.¹³ Minneapolis' sewer contracts call for a charge of \$1 per connection for the maintenance of the city's sewer used by the suburb; a sewage treatment charge based on volume, if the sewage is metered, or on the number of connections; and a fixed charge to cover the suburb's share of the cost of providing additional capacity for the particular community.¹⁴

The contract system seldom covers an entire metropolitan area. For example, Wilmington, Del., supplies water to approximately 40 percent of the households in the heavily builtup areas outside the city limits. In Minneapolis-St. Paul, 842,000 people are supplied directly or under contract by the two central city water systems. Another 245,000 are serviced with ground water by 69 public and private systems. An additional 433,000 rely on individual home wells. However, in the Detroit area, the central city water system serves Detroit and the 47 other communities in the 6-county area through a variety of wholesaling arrangements.

Supporters of contracting defend the system on a number of grounds. They contend that the system extends the technical competence and financial capabilities of the central city, while sparing the suburbs the necessity of using their credit and bonding capacity to develop less efficient facilities. It is also argued that the system permits local control through the contract procedure. In addition, flexibility is achieved and local freedom of action is preserved since no community is compelled to contract with the central city.

Many of these alleged advantages are scored as weaknesses by critics of the contract system. In essence, contracting is a re-

¹³ Gerald Remus, "Metropolitan Water Problems: Through Intergovernmental Cooperation, Detroit and Surrounding Communities Meet the Crucial Needs of a Metropolitan Area," *Michigan Municipal Review*, XXXIV (April 1961), p. 95.

¹⁴ Twin Cities Metropolitan Planning Commission, *Metropolitan Sewage Study* (St. Paul, 1960), p. 18.