

City Clerk
**Boston Water and
Sewer Commission**



Oct 23 6 15 PM '81
Post Office Square
Boston, Massachusetts 02109
617-426-6048, MASS.

BY HAND and CERTIFIED MAIL
RETURN RECEIPT REQUESTED

October 23, 1981

Terrence J. Geoghegan, Commissioner
Metropolitan District Commission
20 Somerset Street
Boston, Massachusetts 02108

RE: Assessment of Metropolitan Water District Charges
in Fiscal 1982; Redetermination of Water Rate

Dear Commissioner Geoghegan:

Based on information published by the Controller of the Commonwealth and confirmed by the staff of the Metropolitan District Commission (the "MDC"), the Metropolitan Water District (the "Water District") has improperly accumulated a surplus of approximately \$8,000,000. This improper surplus has resulted from application of a rate for water which substantially exceeded cost during several years prior to fiscal 1981.

During the relevant period, G.L. c.92, s.26 has required the MDC to "adjust the rate per million gallons each year by increasing or decreasing it to the next higher multiple or lower multiple, as the case may be, of five dollars per million gallons so that the projected receipts from the water district equal, as nearly as practical, the total cost of interest, principal, sinking fund, maintenance and operation of the water system."

Use of a water rate which resulted in the accumulation of a large surplus clearly violated this statutory mandate. Now that costs have caught up at last, the MDC's plan to continue the existing rate in effect until annual deficits have absorbed the surplus is also a clear violation.

Based on the foregoing, the Boston Water and Sewer Commission hereby demands that Water District's accumulated surplus be applied to reduce the charges to be assessed to the cities and towns served by the Water District in fiscal 1982, and that the MDC forthwith adjust the water rate in accordance with G.L. c.92, s.26.

Very truly yours,

Francis W. Gens
Francis W. Gens
Executive Director

FWG/mm
cc: (attached)



October 23, 1981

cc: Robert Q. Crane, Treasurer, Commonwealth of Massachusetts
James J. Golden, Associate Commissioner, MDC
Frederick M. Kelley, Associate Commissioner, MDC
Linda R. Plaut, Associate Commissioner, MDC
Dyanne C. Tosi, Associate Commissioner, MDC
Mayor, All Cities and Towns in the Water District
Treasurer, All Cities and Towns in the Water District

2.

S-569

Comm. from Francis W. Gens, Exec. Director,
Boston Water & Sewer Comm. re: assessment
of Metropolitan Water District charges in
FY-82 & redetermination of the water rate.

In City Council,

November 2, 1981

11/2/81

Referred to the
City Manager -

copy sent to City Managers
office 11/3/81 mh