

Mr. Leon Small, Water Engineer (cont'd.)

In one of the forms of contract which you furnished me (contract with Harry Philippi, dated January 10, 1923), no definite time is specified, the contract merely providing that the City will refund the amount of the deposit as soon as sufficient buildings are under roof to produce 6% on the cost of the extension and the water rents are thereby created sufficient to amortize the cost of extension in twenty years from the date of the contract.

The general practice of the City, as I understand it, is to refund a pro rata amount for each house constructed and connected with the extension. In contracts of the type of the Philippi contract, it would be equitable to allow the applicant such pro rata refunds for houses erected and connected with the extensions during the entire period of twenty years fixed for amortization. At the end of the twenty-year period the right of refund would terminate.

In the form of contract made with the Larchmont Company on April 23, 1933, no time limit was fixed, the agreement merely providing that the deposit was to be subject, in the matter of refund, to such conditions as may hereafter be adopted by the Water Board for extensions beyond the City limits. I am not advised whether the Water Board has adopted any definite and specific rules governing extensions of this character. If not, it is competent for the Board to adopt such regulations and fix a time corresponding to the periods applicable in similar cases governed by specific agreements.

Very truly yours,

(signed) R. E. L. MARSHALL

City Solicitor

HELM-H