

# **Revised DWSD Drainage Fee Plan**

**March 17, 2017**

**The Problem:**  
**Federal Clean Water Act of 1972 Requires that no untreated combined sewage/storm water be discharged into the Detroit or Rouge Rivers**

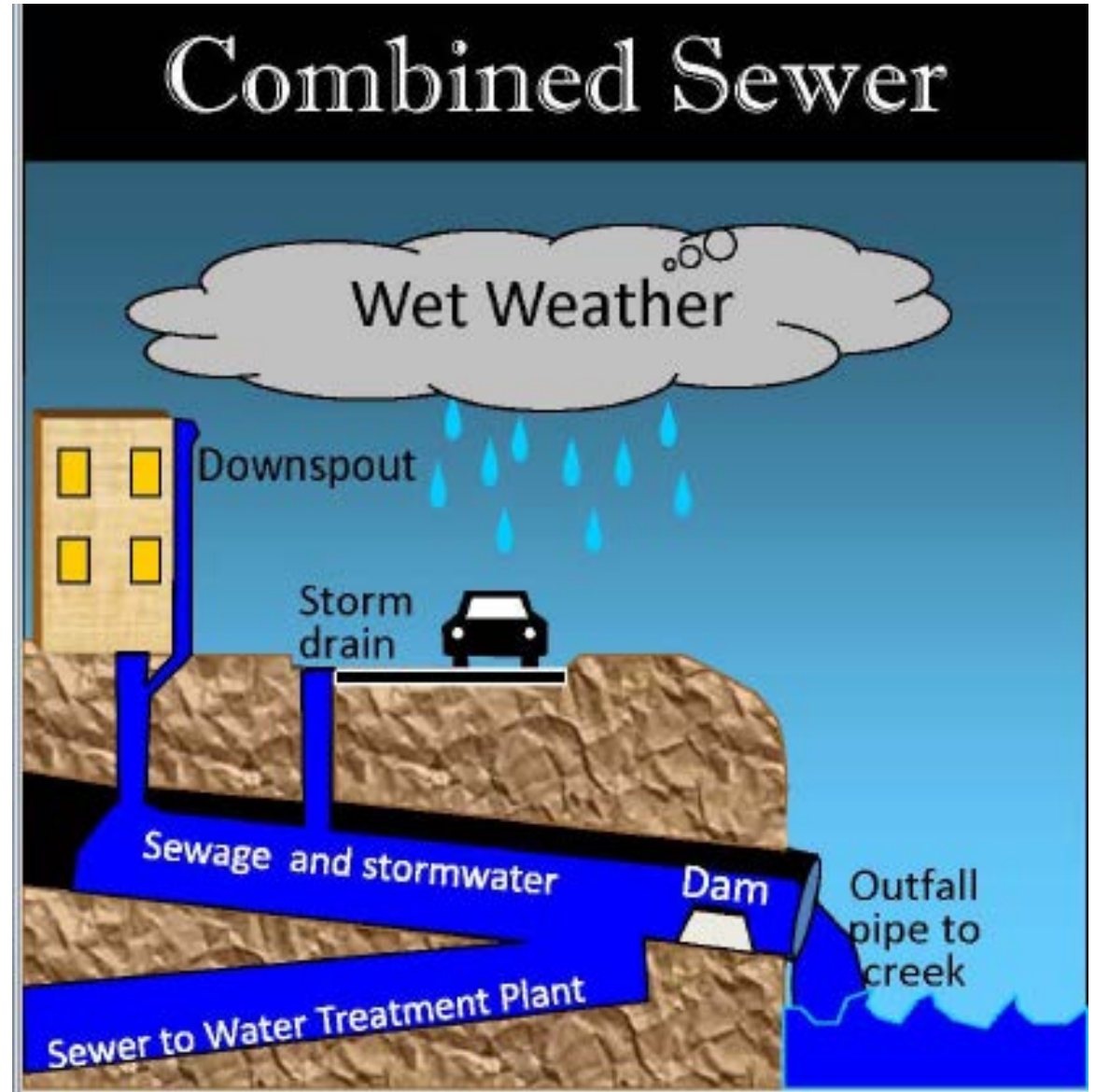
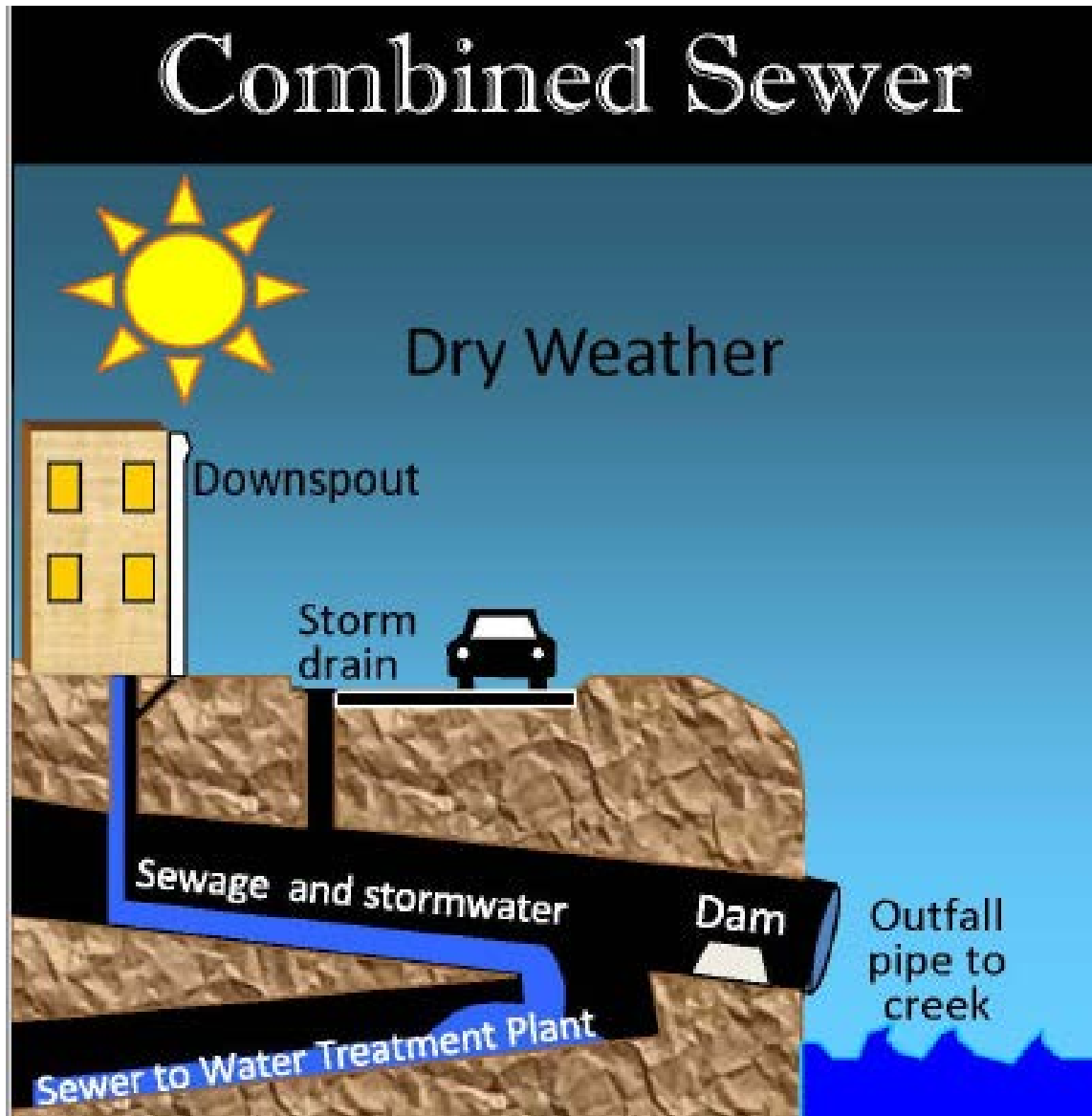


# **Detroit's History of Storm Water Drainage Improvements**

- **1972 Clean Water Act Passed by EPA.**
- **1975 City Charter authorizes DWSD to charge drainage rates.**
- **1977 Detroit sued for failure to comply with Clean Water Act - more than 20 billion gallons of untreated waste were dumped into Detroit River and Rouge River each year.**
- **1977 Judge Feikens places wastewater treatment system in federal receivership.**
- **1980-2012 Detroit spends \$1.5 billion building improvements to reduce illegal discharges.**
- **2013 Detroit's federal discharge permit allowed delay until 2022 of expenditure to build an additional \$1 billion in new storm water retention.**
- **2015 Michigan Warehouse sues DWSD saying it's being overcharged on drainage fees because not all users are paying the same fees.**



# The problem with a combined sewer system: Rain storms overrun capacity of treatment plant





**Detroit has constructed 9 Retention Basins, capable of storing 250 million gallons of storm water until rain stops.**





# Detroit has invested \$1.5 Billion in Retention Basins and other new construction along both rivers.



**We've made huge progress, cutting the 20 billion gallon per year discharges by more than 80%.**

**But under the Clean Water Act, more is needed**

**Today, Detroit's discharges range from:**

<b>2014.</b>	<b>6.8 Billion Gallons</b>	<b>(Primarily from August, 2014 rainstorm)</b>
<b>2016.</b>	<b>0.8 Billion Gallons</b>	<b>(2016 had very little rainfall)</b>

**By 2022, environmental permit under federal law requires DWSD to eliminate these discharges or begin work on \$1 billion construction of new retention basins.**

**Cost of new construction would increase drainage fees another \$300 per impervious acre per month.**



# August, 2014: Rainstorm backed sewage up into 10,000 Detroit basements



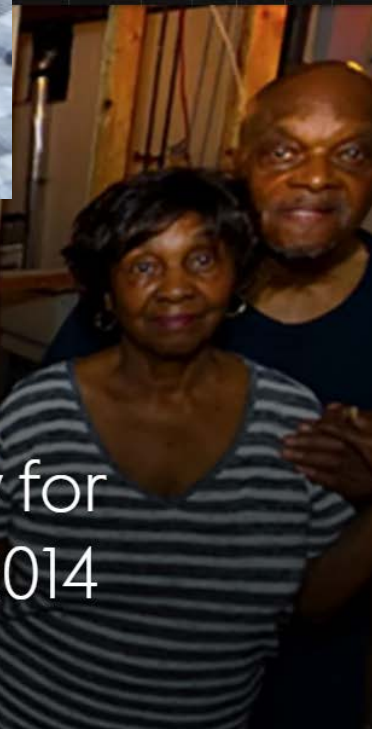
December 22, 2014 7:07 a.m. UPDATED 1/5/2015

## Aftermath of August flooding: 10 billion gallons of sewer overflows, \$1 billion in damages

By Crain's Detroit Business



TODAY MORE



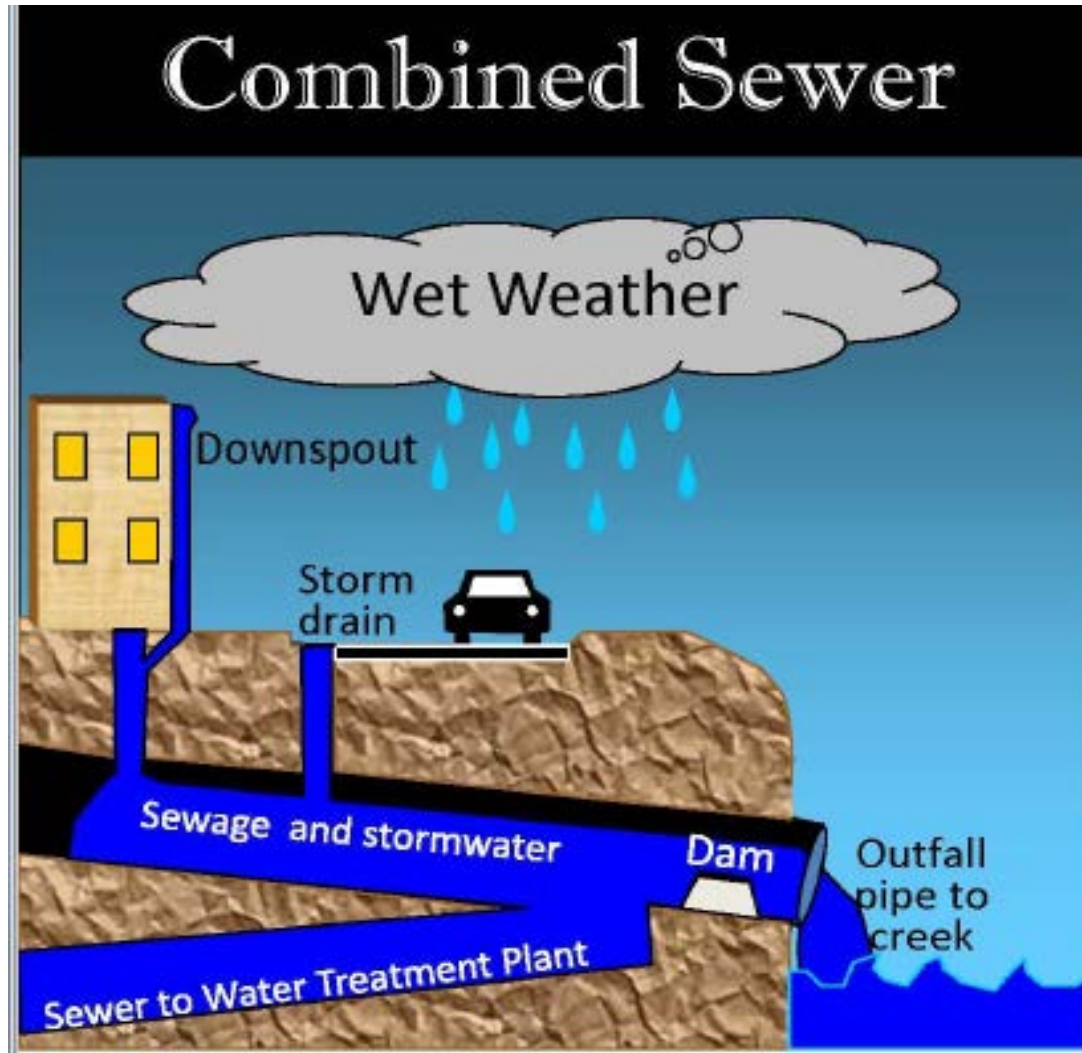
Toxic mold is new worry for Detroiters affected by 2014 flooding



Severe weather



**How do we get the rain water out of the system?  
We have to reduce acreage of impervious surface  
(asphalt/concrete) in City of Detroit.**



## **Drainage fees are not new – date back to 1975**

<b>Date</b>	<b>Per Impervious Acre Fee</b>
<b>7/1/11</b>	<b>\$663</b>
<b>7/1/12</b>	<b>\$694</b>
<b>7/1/13</b>	<b>\$720</b>
<b>7/1/14</b>	<b>\$785</b>
<b>7/1/15</b>	<b>\$852</b>

**This is what 349 churches paying the impervious acre rate have been charged (and what most industrial and commercial customers have been paying. Other customers have been charged a flat monthly fee.**





# **September, 2015: Michigan Warehousing Group sues City of Detroit on drainage fees in federal court.**

**Michigan Warehousing is commercial company paying \$852 impervious per acre charge.**

**Lawsuit says that all entities not being charged the same rate for their parking lots/impervious surfaces.**

**Bolt vs City of Lansing – 1998 Michigan Supreme Court Case**

**Lansing had spread cost of stormwater drainage fees across whole city. Supreme Court ruled that it was unconstitutional. Drainage fees must be spread proportionate to those property owners actually using the storm water system (i.e., those with paved parking lots).**

**DWSD did a comprehensive review of all industrial, commercial, and church properties across Detroit to understand how billings were actually being done.**

**This review covered three major areas:**

- 1) Accuracy of the city's records on impervious acreage.**
- 2) Accuracy of city's records as to property ownership.**
- 3) Consistency of drainage billing across all property owners.**



In 2015, DWSD conducted aerial photography of entire city to determine exact amount of impervious acreage.



**Aerial Survey identified 850 acres of impervious area that were not receiving any drainage charge for the stormwater they were generating**

**Impervious Acreage not Receiving Drainage Fee Bill**

<b>Commercial</b>	<b>403 Acres</b>
<b>Church</b>	<b>244 Acres</b>
<b>Industrial</b>	<b><u>203 Acres</u></b>
<b>Total</b>	<b>850 Acres that should have been paying drainage fee, but were unbilled.</b>



**Review found major inconsistencies on drainage charges for the approximately 1,100 free-standing churches in Detroit:**

<b>Paying \$850 per impervious acre monthly charge</b>	<b>349</b>
<b>Paying Flat Monthly Charge</b>	
<b>\$20 Per Month</b>	<b>270</b>
<b>\$180 Per Month</b>	<b><u>68</u></b>
<b>Total on Flat Monthly Charge</b>	<b>338</b>
<b>No Payment at All</b>	
<b>(Were not in billing system for drainage)</b>	<b><u>420</u></b>
<b>Total Free Standing Churches</b>	<b>1,107</b>

# **Impervious acreage in drainage bills as of 1/1/16**

<b>349 Churches Paying \$850/ impervious acre</b>	<b>166 Acres</b>
<b>338 Churches Paying Flat Monthly Fee</b>	<b>126 Acres</b>
<b>420 Churches Not in Billing System</b>	

# Original Drainage Fee Plan for All Customers

Date	Initial Plan
7/1/15	\$852
7/1/16	\$750
7/1/17	\$661
7/1/18	\$598
7/1/19	\$602
7/1/20	\$626
7/1/21	\$651
7/1/22	\$677



# **Revised Drainage Fee Plan for Churches – 5 Year Phase-in for Meter-Billed & Newly Billed**

<b>Date</b>	<b>Initial Plan</b>	<b>New Plan</b>
<b>7/1/15</b>	<b>\$852</b>	<b>N/A</b>
<b>7/1/16</b>	<b>\$750</b>	<b>N/A</b>
<b>7/1/17</b>	<b>\$661</b>	<b>N/A</b>
<b>7/1/18</b>	<b>\$598</b>	<b>\$125</b>
<b>7/1/19</b>	<b>\$602</b>	<b>\$250</b>
<b>7/1/20</b>	<b>\$626</b>	<b>\$375</b>
<b>7/1/21</b>	<b>\$651</b>	<b>\$500</b>
<b>7/1/22</b>	<b>\$677</b>	<b>\$677</b>

# Ways to reduce impervious acre drainage charges fall into three categories 100%, 50%, and 25%:

## Remove Impervious Acreage

Up to 100% Reduction - Replace unused impervious surface with pervious area and green infrastructure

## Capital Investment Credits

Up to 50% Credit or More - Make capital improvements to reduce storm water drainage (retention basins, green islands, etc.)

DWSD will establish an initial \$5 million Capital assistance fund and will provide a 50/50 match to the church for eligible capital investments.

## Service Credits

Up to 25% Credit - Reduce storm water demands on system through community education and volunteer outreach efforts.

# Examples of Interior Parking Lot Landscaping Projects Eligible for 50/50 DWSD Match Funding





## **Revised Drainage Fee Plan has 5 Pieces:**

- 1. 30% cut in fees for those 349 churches already paying \$850 impervious acre/month (down to \$598 7/1/18)**
- 2. For churches currently on meters, a 5 year phase-in on new charges**
- 3. For all acreage not previously billed, a 5 year phase-in on new charges**
- 4. Credits and monthly bill reductions available up to 100%/50%/25% levels**
- 5. \$5 million per year DWSD capital fund for 50/50 match for drainage improvements.**