Detroit Water and Sewerage Department: Becoming an Anchor Community Institution

Slide 2

ER2 I added this slide because I think GB can / will do a great job in relating what DWSd is doing to the lessons of Flint. My thought would be that this would give him a chance to provide context.

The arrow and bubble on Detroit - Flint could be used to more explicity link the presentation to the Flint crisis. The second arrow is if GB wants to go further in pointing to the need to address EJ issues

General comment - I've cut a few slides and trimmed the amoung of words on others. For this type of presentation there are still LOTS of words on the slides.

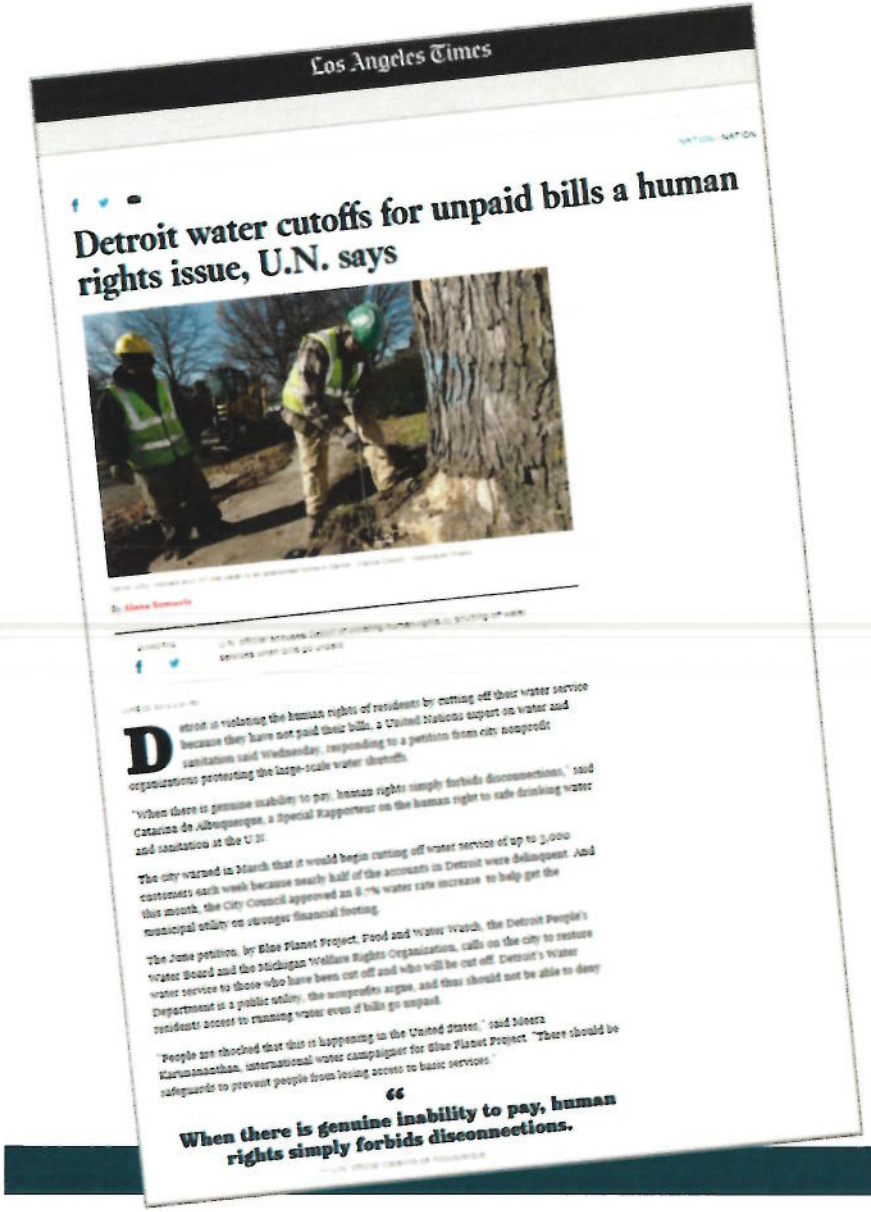
Eric Rothstein, 2/27/2017

Slide 3

ER3 A comment on use of colors:

- I eliminated the blue highlighting in many of the bullet points given next point and desire for it not to be too confusing for the presenter.
- I also think we may try to trim words shown rather than use different font colors.
-- I used dark red text for ONLY those points that represent part of what we are advocating for -- and get summarized in final slide
Eric Rothstein, 3/1/2017

DWSD Seen as Uncompassionate



Los Angeles Times

Detroit water cutoffs for unpaid bills a human rights issue, U.N. says

Detroit is violating the human rights of residents by cutting off their water service because they have not paid their bills, a United Nations report on water and sanitation said Wednesday, responding to a petition from city nonprofit organizations protesting the large-scale water shutoffs.

"When there is genuine inability to pay, human rights simply forbids disconnections," said Catarina de Albuquerque, a Special Rapporteur on the human right to safe drinking water and sanitation at the U.N.

The city warned in March that it would begin cutting off water service of up to 3,000 customers each week because nearly half of the accounts in Detroit were delinquent. And this month, the City Council approved an 8.7% water rate increase to help get the municipal utility on stronger financial footing.

The June petition, by Blue Planet Project, Food and Water Watch, the Detroit People's Water Board and the Michigan Welfare Rights Organization, calls on the city to restore water service to those who have been cut off and who will be cut off. Detroit's Water Department is a public utility, the nonprofits argue, and thus should not be able to deny residents access to running water even if bills go unpaid.

"People are shocked that this is happening in the United States," said Meera Karunananthan, international water campaigner for Blue Planet Project. "There should be safeguards to prevent people from losing access to basic services."

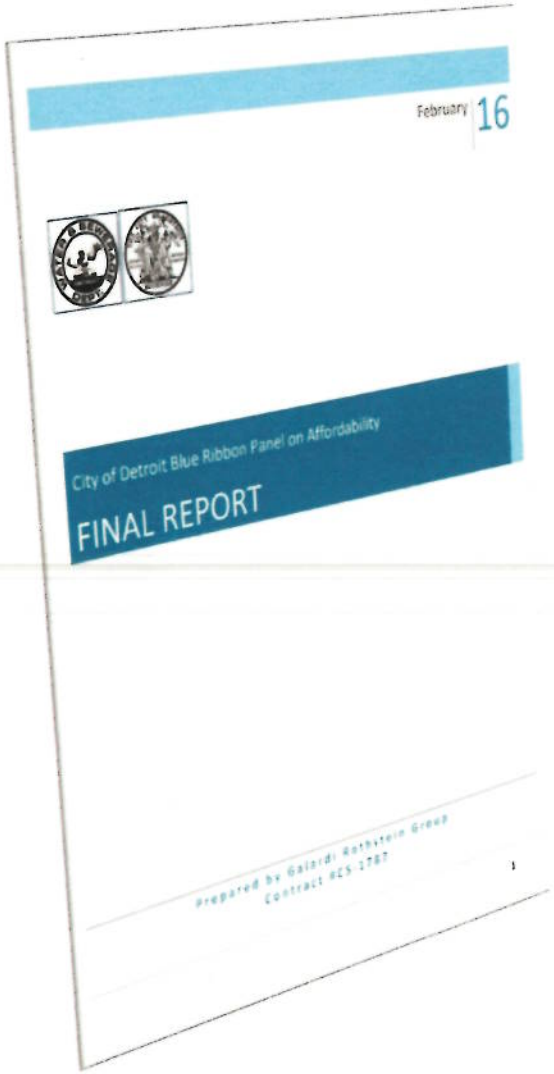
"When there is genuine inability to pay, human rights simply forbids disconnections."

- In 2014, only 9,000 residential customers were enrolled in payment plan arrangements
- Existing assistance plan was <u>not</u> comprehensive
- Public often confused about assistance and payment programs offered in the city
- Detroit Water and Sewerage Department (DWSD) urged to end shut-offs for delinquent accounts ER1
  - Concerns of United Nations review cited in press accounts

Slide 4

ER1 The declaration of the human right to potable water and sanitation dates back to 2010 with the adoption of Resolution 64/292
Eric Rothstein, 2/27/2017

Blue Ribbon Panel on Affordability Begins to Set New Tone



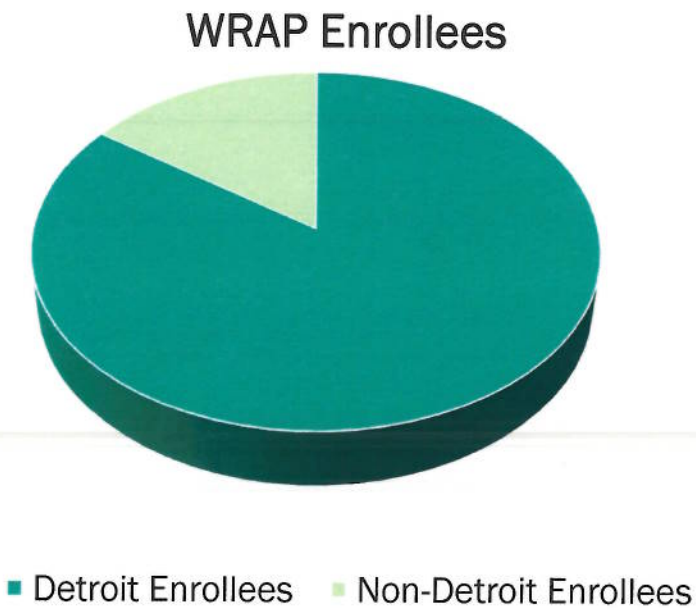
- Detroit City Council convened the Blue Ribbon Panel on Affordability (BRPA) in October 2015, composed of national experts and local stakeholders
- The Panel recommended DWSD:
  - Expand assistance programs;
  - Improve customer service and billing system;
  - Enhance business processes;
  - Advance universal access; and
  - Design and implement an inclining block rate

www.detroitmi.gov/brpa

Compassionate and Robust Assistance Plan Launched in 2016

- Water Residential Assistance Program (WRAP) largely designed based on the Blue Ribbon Panel on Affordability's findings and recommendations
- More than $40M allocation over the next 10 years per the MOU with the Great Lakes Water Authority
- Includes five primary benefits delivered by a third-party administrator:
  - Freezes arrearages for 12 months;
  - Provides $25 monthly bill credit for one year;
  - Offers up to $700 toward past due balances;
  - Conducts water conservation audit with up to $1,000 in minor home plumbing repairs; and
  - Identifies other needs and secures wrap-around social services as necessary

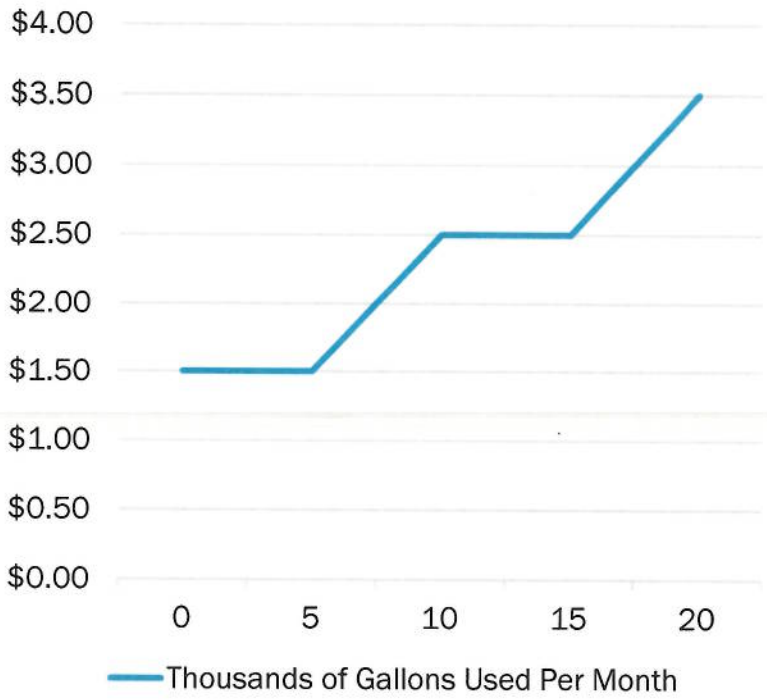
WRAP Successes & Needs



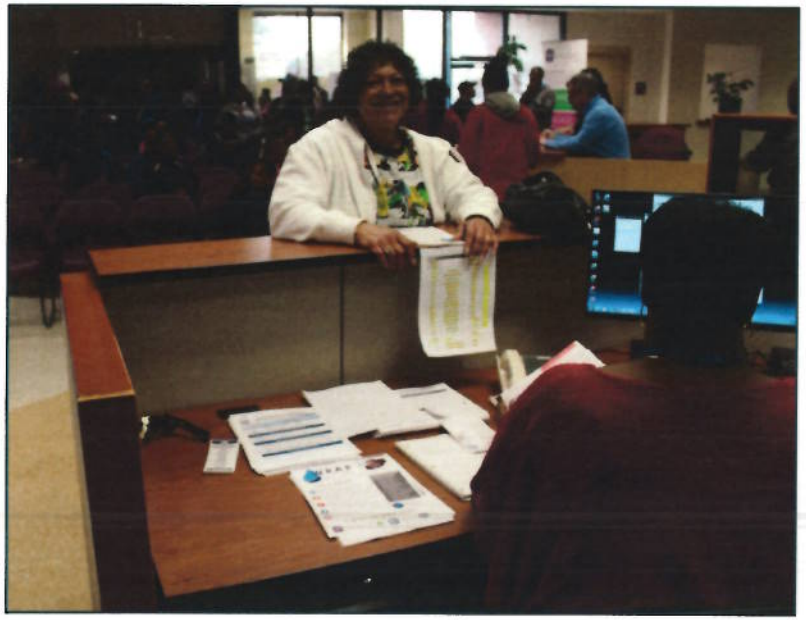
- In the first eight months, Wayne Metro received **95,000 calls for assistance**
  - 80% from the city of Detroit
- Over 11,500 WRAP appointments scheduled since March 1, 2016 with over **4,500 Detroiters enrolled**
- Since March 1, **nearly $4M has been committed to WRAP for Detroit residents**
  - An additional **$2.2 million** has been raised to fund WRAP Detroit enrollees
- **465 home water audits and 258 conservation and repair fixes** to WRAP Detroit enrollees' homes
- **582 households attended a LIVESMART:** Energy. Water. Finances

Other Water Affordability Initiatives

- Inclining block water and sewer rates in FY 2018-19 to help ensure the affordability of service for volumes required for basic health and sanitary needs
- Impervious area based drainage charges in October 2017 that reduce costs for owners of smaller homes
- "Extended infrastructure" improvement financing that provides for replacement of inefficient toilets in qualifying low-income customers' homes
  - MI legal framework



WRAP Is Not Enough

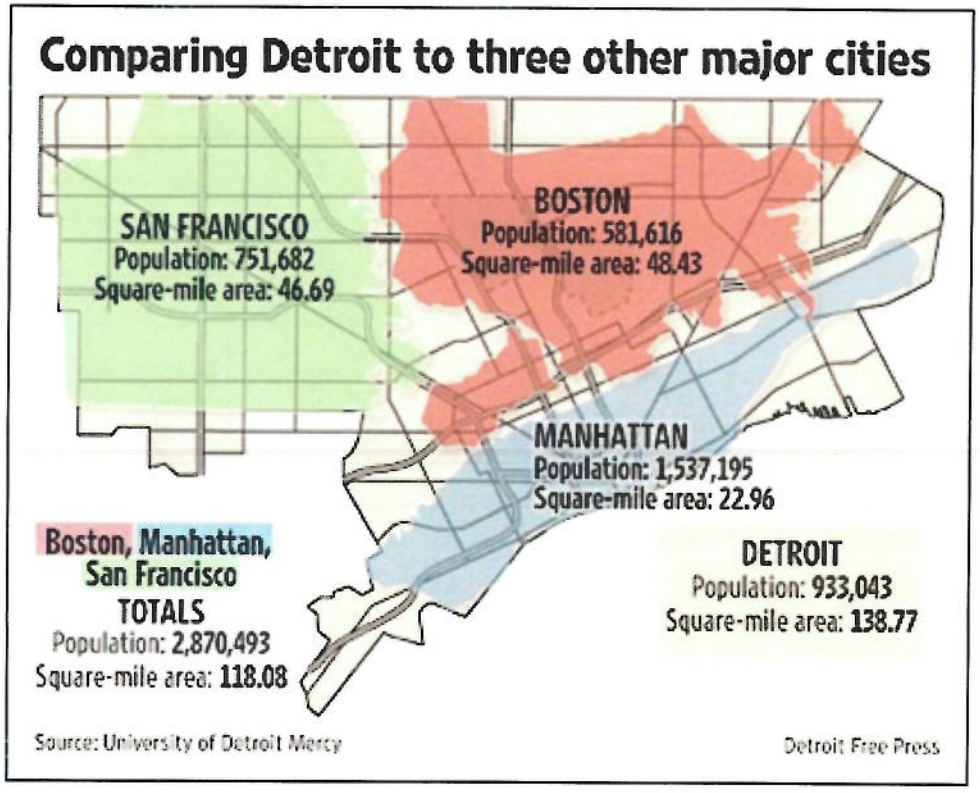


- WRAP needs $10-$12 million annually, based on current data, to fulfill the low-income household demand in Detroit
- Water utilities, including DWSD, need a designated federal or state government fund, similar to the Low-Income Home Energy Assistance Program (LIHEAP)

Lessons of Detroit and Flint:

- Raising rates to recover bad debt expenses is a vicious cycle.
- Inadequate funding of needed water utility investments is unsustainable.

Detroit's Lead Service Lines



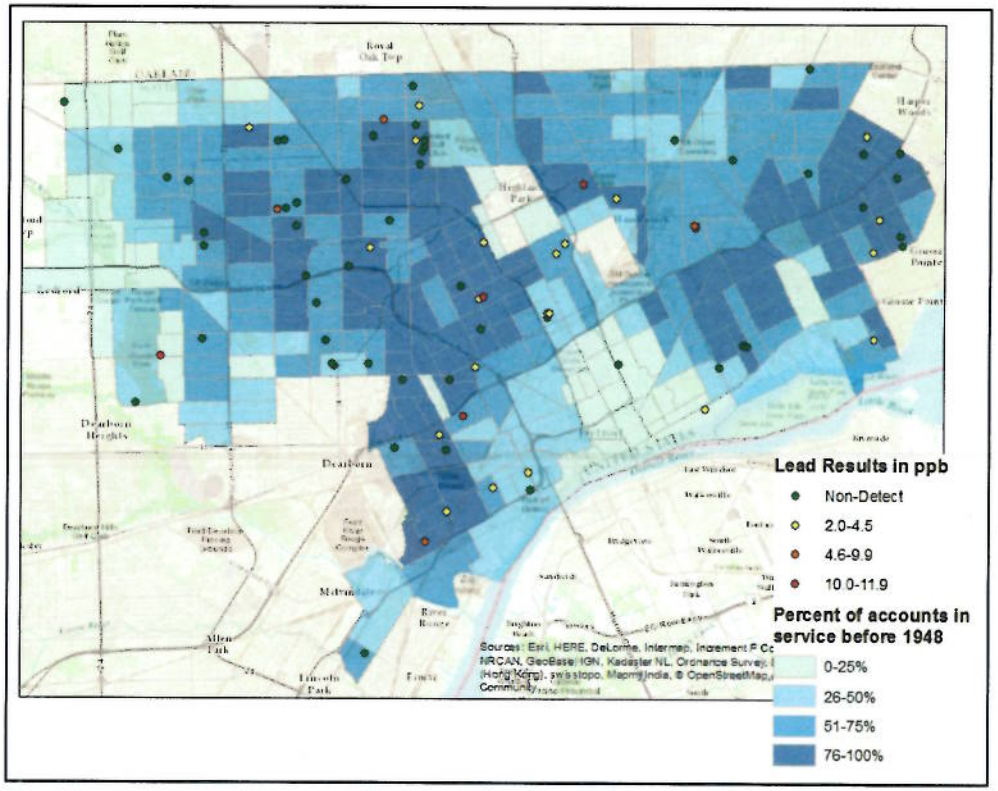
- Detroit is 139 square miles and has more than 100 neighborhoods
  - Mostly single-family homes built prior to 1950
- An estimated 125,000 lead service lines in Detroit
  - More than any other in U.S.
- With a 40% citywide poverty rate, many residents cannot afford to replace their service lines without a payment program, government assistance, and/or philanthropic investment

Determining Base Line Data

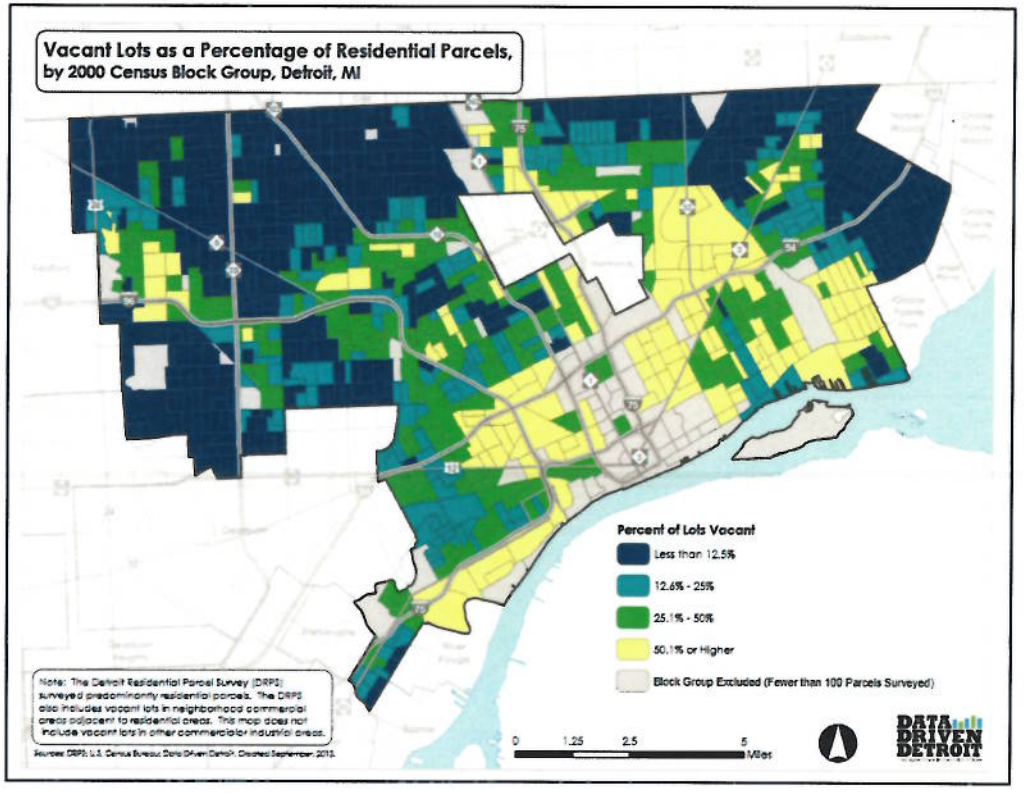
- DWSD conducted lead and copper testing in the summer of 2016 in advance of LCR compliance requirement
- Emphasized sampling of homes with confirmed lead service lines, in addition to following MDEQ guidelines
- **System compliance:**
  - 90th percentile was 4 parts per billon (ppb)
  - Well below the current action level
- Michigan lead action level is expected to be lowered to 5 ppb,
  - Importance of replacing the lead service lines is heightened

DWSD's Minimizing Lead in Drinking Water Program

- GIS mapping system of LSLs
- DWSD verifying presence of lead service lines through customer outreach:
  - Customers taking a photo of service line in their basement and emailing it to DWSD
  - Door-to-door outreach
- Ceasing partial lead service line replacements; initiating full service line replacement pilot
- Working to create a strategy to partner with customers to replace lead service lines
- Sustained federal and state funding support is an essential need for viable long-term financing

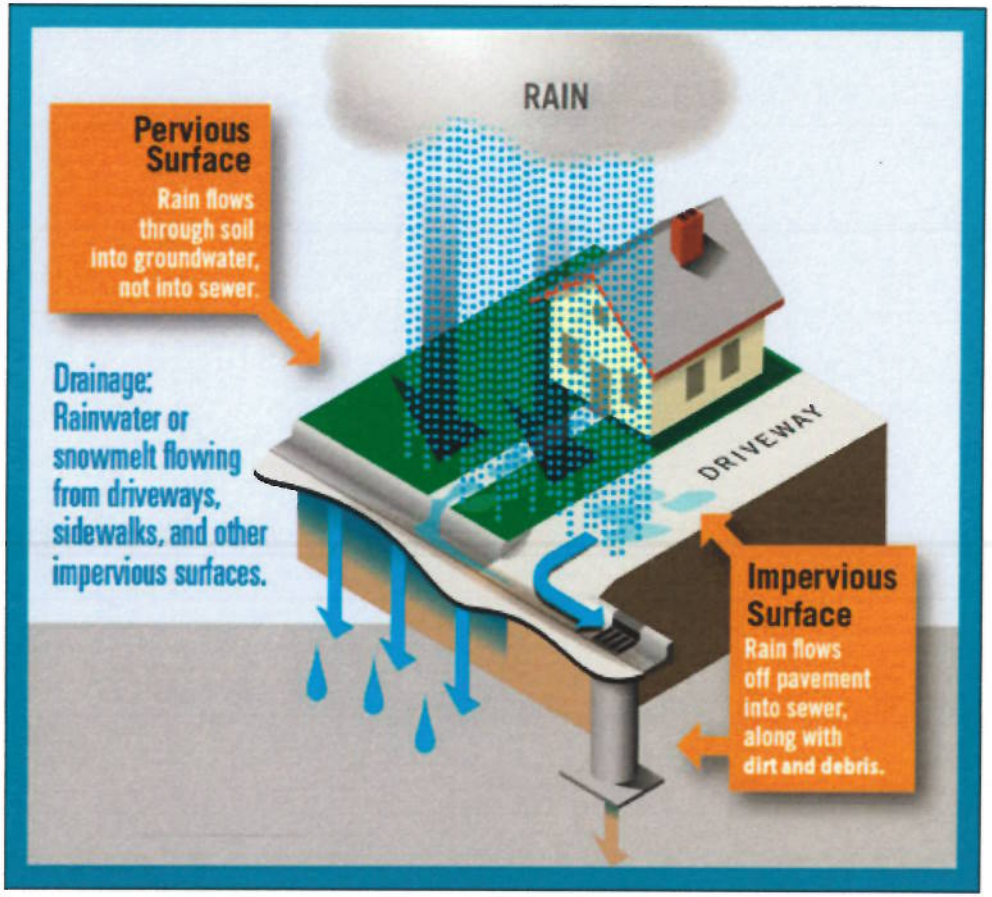


Green Opportunity: City controls at least 40% of the parcels in Detroit



- Detroit's green infrastructure initiative oriented toward more effective, less expensive, wet weather management solutions
- Unique circumstances:
  - Public land holdings
  - High storm water management cost structure
  - Engaged community partners
    - NGOs
    - Philanthropic organizations
  - Continuing economic distress across many customer groups
    - Churches
    - Small businesses

Drainage Charge Equity



- All customers are moving to an impervious acreage rate
  - Over 50% of homeowners will see a bill reduction
- Phasing by property class through January 2018
- More than 20,000 parcels that never paid a drainage charge began receiving a bill in October '16
- DWSD's drainage charge rate, at $750 / impervious acre, is among highest in U.S.
- Green credits on drainage charge bills are available for customers who help manage storm water flows

Green Infrastructure Credits Are Available and Options Expanding

- Most credits are based on the amount of annual and peak flows managed, typically on-site
  - GM Detroit-Hamtramck Assembly plant receives an 80% monthly credit
- Additional credit options being developed:
  - Storm water management education and outreach
  - Off-site options for properties without economically viable or effective options
- Developing "template" applications that reduce costs and permit process

Economics remain challenging for many GSI options

Detroit's Public Investment to Catalyze Private Investment

- DWSD constructing GSI practices in compliance with its NPDES permit requirements (approx. $3M/year)
- "40 Neighborhood Parks" Revitalization projects to include GSI
- Installing pervious pavement during select street resurfacing projects
- Post Construction Storm Water Ordinance requirements
- Target developments / "20 minute neighborhoods" feature GSI
- DWSD "site assessment and capital assistance" funding under Drainage Charge program

Building Market for Green Infrastructure at Scale

- Leveraging Detroit land holdings
- Seeking federal / state / philanthropic support to yield market returns
- Partnering with community advocates to heighten demand / lower costs for GSI

What DWSD Needs to Serve as an Anchor Institution in Detroit

- Infrastructure reinvestment must include support for cities to reinvest in water and sewer infrastructure **including** full lead service line replacements.
- Low Income Sewer Water Assistance Program legislation (or a facsimile) that recognizes that as water/sewer rates rise, federal/state support of low-income customers is needed.
- Revisions to federal/state regulatory frameworks that are effectively blind to the financial burdens imposed on local communities.
- Federal/state grant and loan programs that better facilitate public/private green infrastructure and sustainable redevelopment.
- Legally redefining utility service to embrace public health protection – and therefore universal access to service – as a fundamental utility obligation.
    - In MI, this would, for example, potentially change interpretations of Bolt v. Lansing case that limit DWSD's rate setting and program offerings.

Thank You

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For more information on the
Blue Ribbon Panel on Affordability visit:
www.detroitmi.gov/brpa