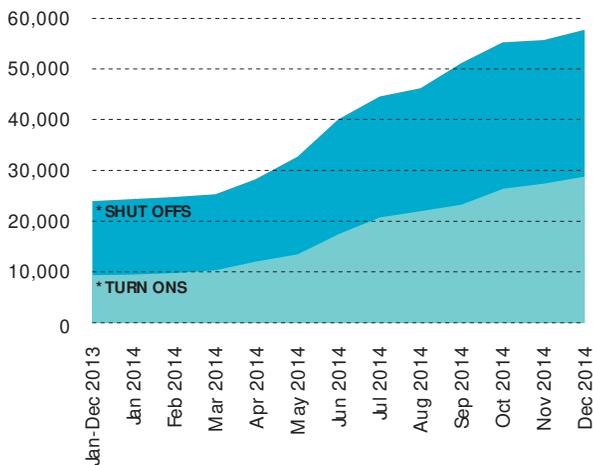


Affordability is a Regional Responsibility

Access to safe, clean and affordable water is a human right.

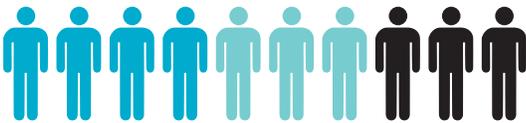
We are a regional community with a shared watershed and water system. In order for that system to become sustainable and just, we need to work together to make clean water affordable for all of us. To fully understand the water shutoff crisis, it is important to know that this crisis did not develop in a vacuum. The Detroit water shutoffs are inextricably tied to larger forces seeking to reshape the city in an image that doesn't include its poorest residents.¹ For more information, please visit peopleswaterboard.org or d-rem.org.

How many people have had their water shut off?



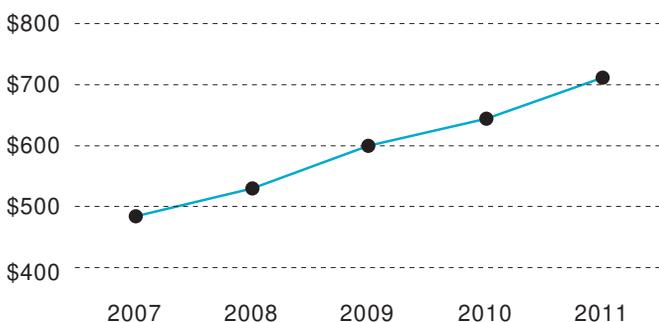
DWSD shut offs and turn ons, Jan. 2013-Dec. 2014.²

Why can't so many people afford their water bills?



Four in ten Detroit households are living below the poverty level. **Seven in ten** Detroit households are ALICE (Asset Limited, Income Restrained, Employed).³

While EPA guidelines clearly state that access to water and sewerage should comprise **no more than 2.5%** of a family's income, low income Detroit residents can find themselves paying **10%, 20%, or more** of their income for water, often having to decide whether to pay their rent, their medical bills, or their water bill. Errors in the DWSD system often lead to grossly overinflated water bills.⁴ **99% of families shut off are black families.**⁵ Water rates in the city of Detroit are steadily increasing.

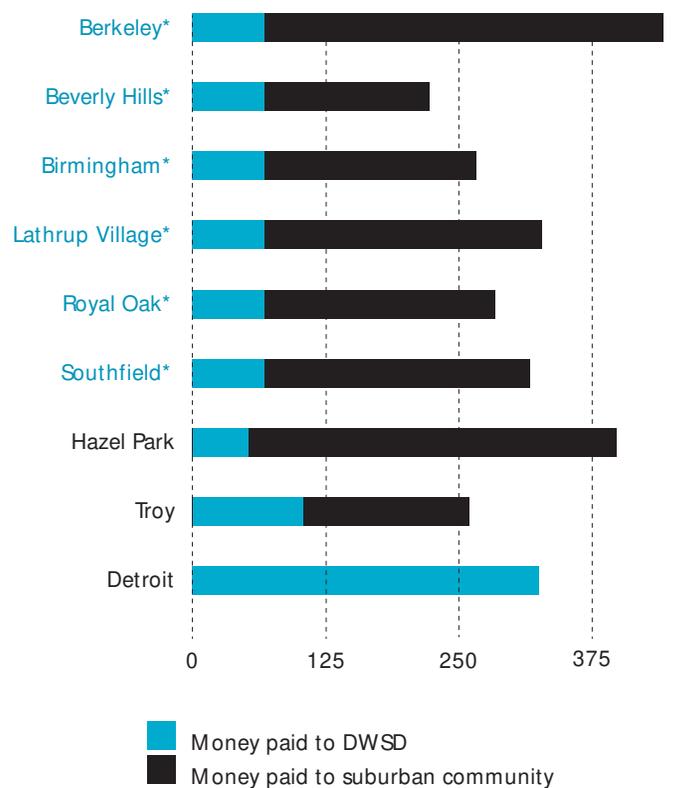
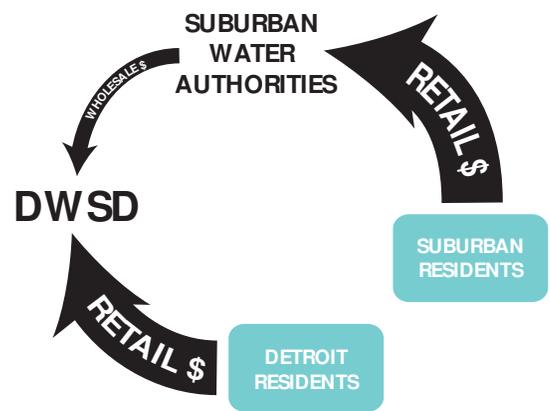


Annual bill of Detroit retail customer using 8,400 cubic-feet of water a year with a 5/8" meter and unadjusted sewer and stormwater rates. Includes drinking water, wastewater, and stormwater.⁶

When I pay my water bill, where does the money go?

Only a very small portion of money from suburban water bills actually goes to the Detroit Water and Sewerage Department to maintain the regional water infrastructure. DWSD sells water at wholesale rates to suburban communities. The suburban communities then sell the water at retail rates to their individual customers. As the graph below explains, most of that money stays within each suburban community.

Over half of DWSD's revenue is paid to banks for debt service.⁷



* South Oakland County Water Authority Members

Annual water service bill of residential customer using 8,400 cubic-feet of water a year with a 5/8" meter. **DOES NOT INCLUDE WASTEWATER.**⁸

Assistance is not Affordability

Metro Detroit needs a sustainable, just, and affordable water system.

Unaffordable water and sewer bills not only prevent low income residents from making full, on-time payments, but such bills also impose substantial physical, emotional, and social hardships. In 2005, the Detroit City Council passed a Water Affordability Plan (WAP) created and endorsed by groups like the Michigan Welfare Rights Organization and the People's Water Board. However, the Detroit Water and Sewerage Department chose not to implement this plan, and instead created their own Detroit Residential Water Assistance Program (DRWAP). DRWAP is not an acceptable substitute for a true water affordability plan. Below is an [abbreviated] comparison of the two plans.⁹

The WAP is not contingent on a customer being "payment troubled" or in payment default. Rather, to qualify for the plan, the household's water burden must exceed the burden deemed affordable for the household.

DRWAP requires qualified customers to already have their water shut off or be in payment default to the point that a shut off by DWSD is pending.

The WAP uses a "fixed rate approach" which entails calculating the fixed credit necessary to reduce the annual bill so that it no longer over-burdens the household. The fixed approach also creates a strong water conservation incentive to the low-income consumer and has the administrative advantages of working within a fixed operating budget and creating a less complicated billing process.

DRWAP does not have a fixed approach, but rather sets payment plans on a case-by-case basis. This creates complications in billing, as there is no one-time, annual adjustment but a unique formula necessary for every bill.

“Water is life sustaining. All living beings need water to live. Lack of water directly undermines the health and safety of Detroit residents and their families.”

- Statement of National Nurses United, in their declaration of a public health emergency in Detroit.

How can we work together?

Join the People's Water Board Coalition.

Find out more at www.peopleswaterboard.org.

Host a screening of *I Do Mind Dying: Stories from Detroit about Water* in your home, at your church, or at your school.

Talk to your friends, neighbors and family members about affordability. Hold your local government accountable for implementing the original Water Affordability Plan.

Submit a Freedom of Information Act request to your local government.

We need more information about billing and payments in suburban communities that are wholesale customers of DWSD. Let your local government know that you want an affordability plan for your regional water system.

Sources

- 1 Detroit Blight Removal Task Force Plan. The plan explicitly states that "The greatest practical challenge to prompt demolition in Detroit has been disconnecting the gas, electricity, and water lines to the property." See Peter Hammer's "Connecting the Dots" for an analysis of the relationship between utility disconnections and the Detroit Future City Plan. Hammer is a Wayne State University Professor of Law and Director of the Damon J. Keith Center for Civil Rights.
- 2 Detroit Water and Sewerage Department, "Customer Service: Key Performance Indicators. Amounts Collected -- Actual Shut offs/Turn ons." March-April 2015.
- 3 United Way. "ALICE Michigan: Study of Financial Hardship." September 2014.
- 4 CDG Consulting Group report on the financial performance and stability of the Detroit Water and Sewerage Department, 2013.
- 5 Joint Press Statement by Special Rapporteur on adequate housing as a component of the right to an adequate standard of living and to right to non-discrimination in this context, and Special Rapporteur on the human right to safe drinking water and sanitation Visit to city of Detroit (United States of America). 18-20 October 2014.
- 6 Food and Water Watch. "Keep Southeast Michigan's Water in Public Hands: Fact Sheet." October 2011.
- 7 Detroit Water and Sewerage Department. Annual Report, 2012.
- 8 South Oakland County Water Authority (SOCWA) rate study (<http://www.socwa.org/documents/WATRATE%20SURVEY.pdf>); SOCWA budget 2014-2015 (<http://www.socwa.org/documents/WABudget2014.pdf>); DWSD rates (http://www.dwsd.org/pages_n/rate_information.html).
- 9 This section based on a fact sheet titled "Affordable Water for Detroit's Citizens," produced by Food and Water Watch. For a full comparison of the plans, see March 2015 Huffington Post article (http://www.huffingtonpost.com/wenonah-hauter/detroiters-need-an-income_b_6956744.html).