

Water and Sewerage Department employees support Detroit Workers Inquiry

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The Detroit Water and Sewerage Department (DWSD) is a major target in the plunder of public assets under the auspices of Emergency Manager Kevyn Orr. The handing over of the DWSD to a yet-to-be-created regional authority is being “fast-tracked,” supposedly to provide millions in annual revenues to the city.

The real reason for the regional authority scheme, however, is to circumvent the legal restrictions on profit making by a publicly owned municipal utility. State law prohibits city-run facilities from charging rates higher than what is needed to cover production costs.

The comments of New York investment banker Kenneth Buckfire during the recent Detroit bankruptcy trial provide an insight into the designs of the financial conspirators on the potential revenues to be generated by the DWSD. He said, “The only way is to sell it or privatize it. Several private equity firms have expressed interest, but only if they can charge higher rates.”

While the bankruptcy trial was proceeding, workers at the DWSD and all other Detroit city workers were presented with substantial cuts in their health coverage. The new period of open enrollment for the 2014 benefit year, lasting from November 1 to November 20, will result in higher deductibles by a factor of three, higher monthly premiums and higher drug co-pays.

In addition, for the first time, the enrollment process can be carried out only through the city’s web site. Every employee is required to re-enroll and submit documentation for all dependents, even if he or she has been covered for years. Failure to submit an online enrollment by November 20 will result in the loss of coverage for spouses and children, as well as all dental and vision coverage.

Since many city employees have limited or no access

to the Internet, the enrollment process itself is another means of implementing drastic benefit cuts.

Workers spoke to *World Socialist Web Site* reporters as material on the Workers Inquiry into the Attack on the Detroit Institute of Arts and the Bankruptcy of Detroit being organized by the Socialist Equality Party and the International Youth and Students for Social Equality was being distributed at the DSWD plant.

A Detroit Wastewater Treatment Plant (DWWTP) worker with 25 years seniority said he supported the call for a workers inquiry. “I think it is a good idea. Behind this whole thing is just a conspiracy to get rid of workers. People have already lost wages and been put out of work because of it.

“EMA [the consulting firm contracted by DWSD] is doing nothing but cutting jobs. But they are not really getting rid of jobs, they are just shifting the jobs to private contractors. The cost to the water department won’t go down because the contractors charge cost plus an overhead.

“Nobody likes this. The union has capitulated. We don’t hear anything from the unions against it. They have converted all the classifications to plant tech and maintenance tech. What happens to millwrights and electricians and others? They shoved that down our throat without telling us what our pay scale would be.

“Our staffing now is just under 500 people and their target is to bring it down to 135 running this plant. There is no way. In 1996, we had 1,100 people here. This is an old mechanized plant and everything runs with power. There is no way we can run this plant with that few workers.”

Skuta, a veteran DWWTP worker, said, “We are being told zero. It is unnerving, especially for anyone who has any type of seniority, here or anywhere else in the city. Are we going to be left high and dry?”

“I am really for a workers inquiry. It is good to have a second and third opinion especially about something as detrimental to city workers and residents.”

Another DWWTP worker added, “We want to know what they are doing. They are doing nothing but taking from us. They want control over this place. That is all they want.”

The regional authority scheme is being publicized widely because the DWSD, as the largest municipal water facility in the US, is a highly coveted asset. Officials of Wayne, Oakland and Macomb counties contracted accounting firm UHY Advisors to determine the viability of a regional authority. The DWSD provides water services for 126 cities within the three counties. Each of the counties has put up \$100,000 to fund the study. The results are due within the next few weeks.

Emergency Manager Kevyn Orr claims that the regional lease scheme will be a source of millions in revenues for the city and will result in a decrease in interest charges by the financial entities that service the DWSD debt. There is, however, no commitment on anything by the parties involved. The amount of the lease payments that would be required has yet to be determined and is the subject of vastly differing estimates.

The water department’s \$5 billion-\$6 billion debt is often cited by Orr’s office and the media as a reason for a sell-off of its facilities. The debt, however, is largely the result of city officials using the department as a cash cow to fund numerous operations, both legal and illegal.

One worker described the feeling of many when he declared, “This whole thing is a sham. Everyone here at the wastewater treatment plant feels the same way.”



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