

Detroit water system layoffs signal pro-corporate transformation

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20 October 2015

The transformation of the Detroit Water and Sewerage Department (DWSD) into a profit-making operation was kicked into high gear this month with the layoff of some 100 workers.

The layoffs had been planned and carefully considered for months, staged in concert with the appointment of new top-level management with an eye towards the launch of the Great Lakes Water Authority (GLWA), a new regional entity, by January 1.

The water system's reorganization was initiated during the Detroit bankruptcy proceedings overseen by Emergency Manager Kevyn Orr, whose term officially ended in December 2014 after a "plan of adjustment" was implemented. Extracting as much revenue from DWSD as possible is a key component of the "monetization of city assets."

The ability of city officials and the DWSD to proceed with their ruthless "optimization" plan is the fruit of the collusion of the unions with the corporate pillagers that oversaw the bankruptcy.

These organizations, exemplified by AFSCME District Council 25 leader Al Garrett, claimed to oppose the bankruptcy, but limited their action to dead-end appeals in the court system. In the meantime, they made their own backroom deals to secure their own institutional interests.

Only some of the workers laid off from DWSD were given the option to reapply with the GLWA, but many of the terminated workers were told their jobs would be eliminated altogether.

Among those unable to reapply for their jobs are the three top chemists in the department. Senior chemist Saul Simoliunas related his concerns about the outcome of the latest maneuvers to the WSWs. "It will be higher prices, a free-for-all for contractors. .. they won't even have workers anymore. And of course they are laying

off chemists—60 percent of them. So that means ... the Flint story over again—no testing, no quality in water."

Referring to the comments that retired DWSD Director Kathleen Leavey made to the *Detroit Free Press*, Simoliunas added, "It's interesting that the previous director said, "'You cannot run the place without people.'"

Leavey, who retired as DWSD director in 2009, responded publicly to the announcement of the layoffs in the *Free Press*: "When you get rid of these people, how are you going to run the plant? There's no plan that detailed who's going to do what. We don't have equipment that is so modern that it can be operated by one person instead of 10."

Cheryl Porter, DWSD Chief Operating Officer, dismissed these criticisms out of hand, stating, "The decisions around the optimization of the organization were done with safety and regulatory compliance in mind. The optimization design has broader, more flexible jobs, therefore requiring fewer positions. Job responsibilities are shared to ensure continued compliance."

Flowing from the rapacious measures put in place during the bankruptcy, such as the looting of the pensions and health care of both active and retired city workers, the "optimization" of the DWSD is a codeword for dismantling the gains of workers and transforming the workforce into a low-paid, transient and subservient labor force.

Along with the DWSD's scorched-earth labor policies, Detroit Mayor Mike Duggan announced appointments for a new leadership of the DWSD on October 6.

The new director will be Gary Brown, a career policeman who formerly served as Detroit's deputy police chief. In recent years, Brown has been a key

player in the many privatizations that have been carried out in Detroit in recent years including public lighting, parking meter operations and trash collection.

The new deputy director will be Palencia Mobley, an ambitious careerist who was commended last year with an “Emerging Leader Award” by the University of Michigan Detroit Center for “at the age of 26, becoming one of the youngest women of color to be licensed as a Professional Engineer (P.E.) in the state of Michigan.”

Mobley, who most recently worked as a city council liaison for the Mayor’s office and transition manager for DWSD, is being propelled into a position of overseeing the day-to-day operations of one of the country’s largest water treatment systems.

The appointments were rubber-stamped on October 7 by the seven-member Detroit Board of Water Commissioners. After the vote the board’s chairman, James Fausone, spelled out the significance of the appointments as the necessary step for the conversion of the DWSD to a subordinate role as wholesale provider of services to the new GLWA. In a seemingly defensive tone, he explained, “This isn’t a coup or a takeover. It’s a transition that we all anticipated and expected. It’s a natural transition.”

Sue McCormick, ex-director of the DWSD and the current CEO of the GLWA, reported last month that based on the measures being undertaken by the department, credit rating agencies Moody’s and Fitch had upgraded the DWSD bond rating.

The purpose of the GLWA is to create an entity that is completely under the control of the financial elite. Preparations have been already made to dismantle any legal protections for the ratepayers and employees.

A review of the people charged to oversee the GLWA provides a clear sense of whose interest it will serve. In addition to Brown, the arch-privatizer, ex-deputy police chief, the six member GLWA board consists of:

- Earl Head, a retired corporate lawyer
- Isaiah McKinnon, Detroit’s former police chief
- Brian Baker, the financial director for the city of Sterling Heights
- Rabert Daddow, Oakland County’s budget manager
- Joseph Nardone, the development director for Wayne County Airport Authority

Laid off DWSD chemist Simoliunas gave the WSWs a review of the makeup of the board: “This is terrible.

Of those six people from the counties, look up who makes up the board: Two accountants, two policemen, one from the airport and one a retired lawyer. None of them have any experience in water treatment. So now, Sue (McCormick) will bring the proposal for contracts and they’ll go through.”

Speaking on the role of McCormick as head of the GLWA, he added, “The contractors are going to run the show. Actually, she is a stooge for the contractors. She never sees a contractor that she doesn’t like.”

Integral to the GLWA scheme is the role of private contractors, who will be given increasing responsibility to run the water treatment operations. The “streamlining” of the workforce through the elimination of job categories lays the groundwork for the handing over of operations completely to corporate interests.



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