

Detroit water shutoff crisis intensifies under bill repayment scheme

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Data analysis by *Bridge Magazine* found that one in six residential units in the city of Detroit are facing water shutoffs, or 27,552 out of a total 175,000, due to unpaid water bills.

The report compared records obtained from the Detroit Water and Sewerage Department (DWSD) through a Freedom of Information Act request with US Census data on occupancy, poverty and home-ownership rates. *Bridge* found that more than 1 in 10 houses were disconnected, and the shutoff rate rose 18 percent from 2015 to 2016.

To date, around 83,000 residences in Detroit have had their water shut off since the beginning of this brutal practice, begun in 2014 following the bankruptcy of the city, the largest municipal bankruptcy in the history of the US.

Payment delinquency for water bills is a result of many factors, and is taking place in communities across the United States.

In Highland Park, a small municipality surrounded by the city of Detroit, residents' water rates skyrocketed due to a \$17.4 million debt lawsuit from the DWSD. Residents could not afford the sudden increases in their water bills and were threatened with foreclosure through liens on their homes, similar to the situation now facing the residents of Flint.

Following the 2008 housing market crash, and even before then in Detroit, thousands of vacant and abandoned properties went up for auction at extremely cheap prices. However, what many buyers were not told was that along with the low down payments and cheap mortgages came a high back tax on unpaid property taxes, or debts from previous unpaid water bills. Undisclosed to the individual at the time of purchase, many incurred large debts with the DWSD. Not being able to afford the bill in addition to their

other precalculated expenses involved in purchasing a home, the resident is then faced with shutoff threats.

In Cleveland, Ohio, 44,000 water shutoff notices were sent in 2016, and more than 8,000 residents have liens on their homes due to unpaid water bills over the last three years, which means they face possible eviction.

The Environmental Protection Agency recommends that water services should not make up more than 4.5 percent of household income, but a recent Michigan State University report focused on the water affordability crisis nationally projects that water rates will increase by 41 percent in the next five years.

“This is concerning given the conservative nature of these projections,” the report states. Rising rates affect working class and poor residents well beyond cities like Flint and Detroit, which have garnered international outrage in recent years due to lead poisoning and mass shutoffs. “In comparison, some studies have forecasted that water prices could quadruple in the next 20 years; cities such as Austin, Texas; Charlotte, North Carolina; Chicago, Illinois; San Francisco, California and Tucson, Arizona have all experienced water rate hikes of over 50% in the past five years.”

Overall, the number of households unable to afford their water bills would triple nationwide from 14 million to 41 million. Rising rates mean that one third of households in the US may not be able to pay for water by 2020.

The DWSD has been in financial disarray for years. The city made plans in 2012 to cut 81 percent of its water workforce over the course of five years in an effort to reduce costs.

In addition, in 2015 the DWSD implemented a “10/30/50” plan, in which those delinquent on their water bills were required to pay 10 percent of the

overdue bill up front, with the remainder spread over a 24-month period on top of the regular already-unaffordable monthly bill.

At the time, the *World Socialist Web Site* noted: “[I]n a city with an official poverty rate of 40 percent, avoiding a shutoff means *increasing one’s monthly payments for two years*. City residents already pay water bills that are nearly twice the national average and this year [2015] rates went up another 3.4 percent for water and 16.7 percent for sewerage!

“This plan is a mathematical algorithm designed to suck the maximum amount of money from poor residents before they are shut off completely. Fifty cents of every dollar collected by DWSD goes directly to finance debt principally owned by wealthy bondholders, big banks and hedge funds.”

This analysis has been proven devastatingly correct. City officials originally promised that after launching the brutal shutoff campaign, the amount of delinquent bills would decline. This is not been the case; in fact, the number of shutoffs has increased significantly from 2015 to 2016.

In an interview with *Bridge*, DWSD President Gary Brown—former Democrat City Council member and police deputy—blatantly pondered whether or not shutting water off to a single woman raising six lead-paint-poisoned children on her own would be the humane thing to do, saying that she and her family might be better off once the state stepped in to offer “more holistic” assistance services. “I’ve disconnected a lot of people. But poverty is poverty. These things happen every day,” he told the reporter.



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