

60,000 Detroit households threatened with water shutoff

Zac Corrigan
5 January 2023

After a nearly three-year pause, the city of Detroit is once again shutting off water to city residents behind on their bills. Twenty-seven percent of Detroit households are now threatened with shutoff. That's roughly 170,000 people.

Water shutoffs were suspended across the state of Michigan from March to December 2020 as part of an emergency response to the COVID-19 pandemic. The suspension continued in Detroit until the last day of 2022.

But the Detroit Water and Sewerage Department (DWSD) kept charging for water during that period. If residents couldn't pay, their service remained connected while they racked up debt. Now, 60,000 Detroit households owe an average of \$700 each, according to DWSD Director Gary Brown.

In the face of 7 percent inflation, and with the immune-evasive new XBB.1.5 variant spreading throughout the country, the resumption of water shutoffs will have a disastrous impact on the health and living conditions of workers in Detroit. The city's sham "water assistance" plans, which are being promoted in the local media, are little more than window dressing to hide this brutal reality.

With a population of more than 600,000 and an official poverty rate of over 30 percent, Detroit has been ranked as the poorest big city in the United States. A recent report from the University of Michigan shows that before the pandemic, one in 10 Detroit households already spent over 25 percent of their disposable income on water service.

Despite being adjacent to the Great Lakes, the world's largest reservoir of fresh water, Detroit has some of the highest water bills in the US.

In July of 2021, during the shutoff moratorium, DWSD increased residential water rates by 2 percent,

from \$26.08 to \$26.60 per 1,000 cubic feet. Detroit's average monthly residential water bill is now \$81.62, or \$979.44 per year.

The fraudulent "assistance" plans cooked up by the water department are not simply inadequate proposals that provide zero debt relief to the majority of those threatened with shutoff. They are actually a means of rationing water to the very poorest residents while increasing monthly payments for most shutoff victims.

Here's how it works:

Only the poorest 20,000 of the 60,000 delinquent households—those below 200 percent of the incredibly low federal poverty line—qualify for the new income-based "Lifeline" plan introduced by DWSD in summer 2021. This plan erases the water debt for eligible households while signing them up to pay a flat fee, based on their level of poverty, for a limited amount of water each month.

Individuals making less than \$27,180 per year, couples less than \$36,620, or families of three less than \$46,060, for example, can pay between \$18 and \$56 per month for up to 4,500 gallons of water usage. Using more water means paying at the rate of about \$6 per 1,000 gallons.

This will mean rationing water for many families. DWSD itself estimates that 28 percent of homes now use more than 4,500 gallons per month. The "Lifeline" plan only has funding through the end of 2023, according to the department.

The other 40,000 "better off" delinquent households are left with the "10/30/50" plan, which means that not only do they get zero debt relief, they must also cough up a large down payment, and then actually increase their already unaffordable monthly rates to avoid shutoff.

First-timers on the "10/30/50" plan must pay 10

percent of their existing debt up front to prevent a shutoff. The remainder is spread out over the next 24 months, tacked onto their existing water bills. If a resident then falls behind on these increased payments, he or she must pay 30 percent of the remaining debt before their service will be turned back on, and then 50 percent the next time.

To illustrate: Since delinquent accounts owe on average \$700, and monthly rates are now \$81.62, the average “10/30/50” participant will pay \$70 up front to avoid shutoff, and for the next two years their monthly bill will cost an additional 32 percent, or \$26.25 extra per month, for a resulting average monthly bill of \$107.87.

After the first six months, this household will have spent \$717.22 on water service. If they then fall behind, they will have their water shut off and they will still owe \$472.50. They now must pay 30 percent of the remainder, or \$141.75, to restore service and get back to paying their increased rates. And so on.

The Detroit Water and Sewerage Department was once a publicly-owned utility, which serviced the entire Detroit metropolitan area. Following the Detroit Municipal Bankruptcy of 2013, DWSD was taken over by the new regional Great Lakes Water Authority (GLWA) as a way to enable bondholders to suck profits out of the public utility. DWSD still operates as a division of GLWA within the city of Detroit proper.

In 2013, while Detroit was under emergency management and bankruptcy proceedings, DWSD shut off water for 16,693 households. In 2014 that number nearly doubled. Between 2015 and 2019, under the leadership of Mayor Mike Duggan (Democrat), DWSD carried out over 93,000 shutoffs while implementing the same “10/30/50” plan in place today.

This barbaric practice achieved a collection rate of 93 percent for DWSD by the start of the pandemic. But under the shutoff moratorium, the rate had dropped to 75 percent by April 2021. The wealthy bondholders, who control and profit from the GLWA/DWSD, are now using the official pretense that the COVID-19 pandemic is “over” to get back to business as usual and resume extracting revenue from the working class.

In fact, the pandemic is far from over. Due to the dismantling of PCR testing and the promotion of at-home rapid tests, which are not tallied by the government, official figures on infections in the US are

now totally inaccurate. But wastewater data shows that the US is now in the second-worst surge of infections of the entire pandemic, driven by the XBB.1.5 variant.

Lack of access to water will contribute to crowded, unsanitary conditions which will worsen the spread of and suffering caused by this variant. The dismantling of the “Zero COVID” elimination strategy in China, the most populous country in the world, will not only result in millions of deaths in that country, but will lead to the evolution of more variants and a further extension of the pandemic.

Seven hundred dollars of average water debt for 60,000 poor families suffering under COVID and inflation is a social catastrophe that will cause serious hardship, suffering and death across Detroit’s neighborhoods.

However, the total delinquency of \$42 million dollars is a mere pittance for the ruling elite. Detroit’s richest man, real-estate tycoon Dan Gilbert, has a net worth of over \$17 billion by recent calculations, meaning he could wipe out the debt with a check for less than one-quarter of 1 percent of his fortune.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact