

# Water Crisis in Detroit: Putting Corporate Profit Ahead of Human Rights

Submission to the Special Rapporteur on the Human Right to Safe Drinking Water and Sanitation

By Blue Planet Project

Global Research, June 26, 2014

Blue Planet Project

Region: <u>USA</u>

Theme: <u>Law and Justice</u>, <u>Police State & Civil Rights</u>, <u>Poverty & Social Inequality</u>

Maude Barlow, founder of the Blue Planet Project and Chair of Food & Water Watch, recently visited Detroit, Michigan in the United States and heard firsthand accounts from residents who were having their water services cut off by the Detroit Water and Sewerage Department (DWSD). This report was produced from information gathered by Maude Barlow, the Michigan Welfare Rights Organization, and the Detroit People's Water Board. The Detroit People's Water Board is campaigning to have these essential services restored to the thousands of households currently without water service pursuant to a just and affordable rate structure, and to prevent future cut-offs.

# About the Detroit People's Water Board

The Detroit People's Water Board is a coalition that includes AFSCME Local 207, Detroit Black Community Food Security Network, Detroit Green Party, East Michigan Environmental Action Council, Food & Water Watch, For Love Of Water (FLOW), Great Lakes Bioneers Detroit, Matrix Theater, Michigan Emergency Committee Against War & Injustice, Michigan Welfare Rights Organization, Rosa and Raymond Parks Institute, Sierra Club and Voices for Earth Justice. The coalition advocates for access, protection, and conservation of water and promotes the human right to water.

#### About the Blue Planet Project

The Blue Planet Project is a global initiative that works with organizations and activists around the world to promote water as a human right and a commons. This includes working with local organi-zations and activists on grassroots struggles to protect democratic, community control of water, and building a movement to see the full implementation of the human right to water and sanitation. The Blue Planet Project is affiliated with international networks including Friends of the Earth Interna-tional, Red Vida (the Americas Network on the Right to Water) and the People's Health Movement.

#### About Food & Water Watch

Food & Water Watch works to ensure the food, water and fish we consume is safe, accessible and sustainably produced. So we can all enjoy and trust in what we eat and drink, we help people take charge of where their food comes from, keep clean, affordable, public tap water flowing freely to our homes, protect the environmental quality of oceans, force government to do its job protecting citizens, and educate about the importance of keeping

the global commons - our shared resources - under public control.

About the Michigan Welfare Rights Organization

The Michigan Welfare Rights Organization represents and fights for the victims of poverty. We organize to eliminate poverty and to stop the war against the poor. We are working with people to deal with the current water crisis in the City of Detroit by advocating for low income people to demand fair treatment, registering complaints against the Detroit Water and Sewerage Department (DWSD), organizing protests at the DWSD offices and Detroit local government buildings, alerting people to resources – when available – to help with their water bills, and speaking out on the human right to water in the media and at public events.

Violation of the Human Right to Water and Sanitation in the City of Detroit, Michigan, U.S.

## Context:

The City of Detroit is facing a major water crisis as a result of decades of policies that have put corporate business and profit ahead of the public good and human rights. Social programs and investments in essential infrastructure have been slashed. According to the Detroit News, the City of Detroit's water department runs a chronic deficit and, like many other public water infrastructure systems, needs more than \$5 billion for urgently needed upgrades to the city's water system.<sup>1</sup>

In 2009, the DWSD asked the state regulatory authority, the Michigan Department of Environmental Quality (MDEQ), to modify its permit to eliminate the release of raw sewage into the Detroit and Rouge Rivers. The DWSD claimed economic hardship, contending that upgrades to its aging sewer system would place an undue financial burden on the system. MDEQ and the U.S. Environmental Protection Agency agreed, allowing the DWSD to cut costs by giving the department more time to comply with the Clean Water Act.

Until recently, every winter, hundreds of aging pipes spewed water from leaks as the water had not been turned off in thousands of abandoned houses and boarded-up businesses. While there have been efforts to address this recently, it continues to be an ongoing problem.

With globalization and the hollowing out of the once mighty auto industry, wealth and businesses fled to the suburbs in Detroit, draining the city of its tax base and the water department of its revenues. There are now 1 million fewer people living in Detroit than there were in the 1950s.

The case of water cut-offs in the City of Detroit speaks to the deep racial divides and intractable economic and social inequality in access to services within the United States. The burden of paying for city services has fallen onto the residents who have stayed within the economically depressed city, most of whom are African-American. These residents have seen water rates rise by 119 per cent within the last decade. With official, understated unemployment rates at a record high and the official, understated poverty rate at about 40 per cent, Detroit water bills are unaffordable to a significant portion of the population.

The City of Detroit declared bankruptcy in the summer of 2013. A high-priced bankruptcy lawyer was named its Emergency Manager with a mandate to get the city back on its feet

financially by imposing a savage austerity regime. Nothing is off the chopping block, including water utilities, which are being considered for regionalization, sale, lease, and/or a public-private partnership and are currently subject to mediation by a federal district judge. The Detroit People's Water Board fears that authorities see people's unpaid water bills as a "bad debt" and want to sweeten the pot for a private investor by imposing even more of the costs of the system on those least able to bear them. The service cut-offs for anyone more than two months behind in payments appear to be the city's last-ditch attempt to make up for lost revenues. A contract with a private operator seeking prof-its will only lead to greater hikes in service fees and even less affordable, more unjust barriers to equitable access to vital water. That this massive human rights atrocity is occurring near the largest group of freshwater lakes on the planet, with very little media attention, is a foreboding sign of the times.

The Michigan Welfare Rights Organization (MWRO) argues that these water cut-offs to poor Detroit households need to be understood within a broader context of Detroit's appeal in the real estate market. With its proximity to the Great Lakes and the Canadian border, the city is considered prime real estate, and is available at fire sale prices. People's overdue water bills are being transferred to their property taxes and people are losing their homes as a result. Given the utility's lack of interest in cutting costs or generating revenues by collecting on the arrears of business users, fixing leaking pipes, and cutting off services to abandoned homes, the organization sees the crackdown as a ploy to drive poor people of color out of the city to facilitate gentrification – what the Michigan Welfare Rights Organization refers to as a "land-grab."

#### Water cut-offs

In March 2014, the water and sewer department announced it would begin shutting off water service for 1,500 to 3,000 customers per week.<sup>2</sup>

According to a DWSD document obtained by the Sierra Club, there are more than 179,000 residential water accounts in Detroit. By April 30, 2014, more than 83,000 of them were past due. The aver-age amount owed per household was just over \$540.<sup>3</sup>

In a report by the DWSD's Director, dated May 28, 2014, it is noted there were "44,273 notices sent to customers in April 2014, resulting in 3,025 shut-offs for non-payment." The water department has said it will turn the water off to all residences that owe money by the end of the summer.

In a phone conversation, city spokesperson Greg Eno confirmed that the city would be ramping up cut-offs to 3,000 residents per week starting June 2. The city would not confirm exact figures over the phone of how many people in Detroit are without water, and did not respond to a follow-up email request.

The Detroit People's Water Board is hearing directly from people impacted by the water cutoffs who say they were given no warning and had no time to fill buckets, sinks and tubs before losing access to water. In some cases, the cut-offs occurred before the deadline given in notices sent by the city. Sick people have been left without running water and working toilets. People recovering from surgery cannot wash and change bandages. Children cannot bathe and parents cannot cook. The MWRO is working with people who have been affected by the crisis. According to the MWRO, mass water shut-offs began in April. The organization estimates that as many as 30,000 households will have had water shut off over the next few months.

The MWRO was contacted in June by a woman who had been living without water since February. She applied for State Emergency Relief, but was denied because she has no income, having reached the 60-month time limit on her welfare benefits. She was living on loans from friends and her church.

According to the organization, there are thousands of other people in similar situations who have exceeded the five-year limit on their welfare benefits. Many have been told that they don't qualify for disability benefits even though they are disabled.

With two-thirds of the water cut-offs happening in homes with children, families are concerned and afraid to speak out. They understandably fear, based on experience, that child welfare authorities will remove children from their homes in accordance with state policy that there be working utilities in all homes housing children.

#### **Detroit Free Press**

According to an article in the , there are many low-income families that are struggling to keep their utilities on. "The need is huge," said Mia Cupp, Director of Development and Communications for the Wayne Metropolitan Community Action Agency, one organization that is trying to assist families. "There are families that have gone months and months without water."<sup>5</sup>

The MWRO says some families have been living without water for over a year and eventually be-come homeless as a result. These people are forced to abandon their homes after they run into problems with cracked pipes in the winter. Once people leave their homes, the houses get broken into, are stripped of valuable materials and become unsafe to return to.

Families concerned about children being taken away by authorities due to lack of water and sanitation services in the home have been sending their children to live with relatives and friends, which has an impact on school attendance and related activities. Teachers and social workers are required to contact authorities when they become aware that children are living without water at home.

The Blue Planet Project was contacted by a teenager whose home had its water services disconnected for a day and a half. The family had to purchase bottled water to meet their basic needs and was unable to prepare food.

The MWRO says that even when people make efforts to pay a portion of their water bill, the water department will not turn their water back on unless they pay 30 per cent of the amount owing, which in many cases is thousands of dollars. In fact, the amount owing on people's bills is often in dispute, and the water department is unwilling to restore service (or to halt the shut-off process) while the dispute is being resolved.

The MWRO was recently contacted by a woman who moved in to care for her ailing father, who had received a shut-off notice from the DWSD. She offered to make the full payment, but was told the DWSD would not accept the payment because the bill was in her father's name and she did not have papers to show she was his representative. Her picture I.D. has

the same address as his, but the DWSD would not accept payment.

The MWRO reports similar concerns of unnecessary administrative barriers for people who try to get their connection restored after moving into new homes. Once your connection is shut off, the administrative and monetary requirements for getting connections restored have kept people cut off for longer than necessary.

One person whose water was cut off recently offered the following statement in an e-mail to the MWRO on May 27, 2014:

"Yes, my water has been off since Friday, May 16, and I have paid my full bill in full (\$320) on Monday, [May] 19, and still do not have water due to the extreme hurdle one has to comply with to get it turned back on, [including producing a] deed to the property, lease agreement-notarized, mortgage documents, tax records, driver's licence, social security cards, notarized statements from the owners of the property, background checks, etc. My father's house is in probate court and I cannot have the water turned on!"

According to Maureen Taylor, Chairperson of the MWRO, the DWSD is issuing past due notices that have a red line across the front of the bill. Notices are issued when bills reportedly reach \$150 or more, with a 10-day window before water shut-offs can happen.

When Maude Barlow spoke to groups campaigning for water connections to be restored, she was told that as a cost-cutting measure, the water department stopped sending bills, expecting residents to figure out their own bills. It then installed "smart meters" that read retroactively and many families were hit with bills for thousands of dollars. Many of these bills were from former tenants, and many included water bills from nearby abandoned houses, but that didn't matter to the authorities. The MWRO recently spoke to a woman whose water was shut off without any notice from the city. She reported that when she and her Department of Human Services worker called the water department, she was informed that if people have outstanding bills for more than two months no advance notice is required. In another instance, a woman was sent a shut-off notice, and then the contractor (the water department has private contractors doing the shut-offs) showed up two days prior to the date indicated on the notice. She reported that the contractor refused to give her or her pregnant neighbor time to fill any containers before they shut off the water.

The MWRO has heard from people who are being charged as much as \$500 per month for water. One member estimated the average water bill for a family of four is \$150 to \$200 per month. The MWRO says, "for thousands of people in this city – and in the surrounding suburbs as well – this represents as much as 20 per cent of their monthly income." These bills include two charges: one for water service and another charge for sewerage service. The sewerage charges are about twice the water charges.

#### A MWRO volunteer explains:

"Many poor people are forced to accept payment plans that they know they can't afford just to keep their water on (or lights, gas, telephone) until the next shut-off notice. They end up defaulting on these agreements, try to set up new ones and the next one is worse. The utility companies ask for a higher deposit and higher payment plan."

Many corporations and institutions are also in arrears on their bills, but have not been targeted in the same way as residential users. A Sierra Club representative attended one of the department's finance committees and learned that 57 per cent of "city commercial" users had not paid their water bills (10,042 out of 18,057) with an average bill totaling \$1,976.98. Fifty-five per cent of "city industrial" users were delinquent (869 out of 1,588) with an average bill totaling \$10,817.96. In total, there are 10, 911 delinquent commercial and industrial users owing the city \$29,253,599.93. The Detroit People's Water Board argues it would be more just and efficient for the DWSD to spend its resources collecting unpaid bills from commercial and industrial users than depriving house-holds of basic services.

#### Conclusion

The Blue Planet Project, Food & Water Watch, the Detroit People's Water Board and the Michigan Welfare Rights Organization are outraged about the violation of the human right to water and sanitation in the City of Detroit and call on the authorities to take immediate action to restore water services and stop further cut-offs.

#### Recommendations:

- 1.We call on the State of Michigan and the U.S. government to respect the human right to water and sanitation.
- 2. We call on the city to restore services to households that have been cut off immediately.
- 3. We call on the city to abandon its plan for further cut-offs.
- 4. We call on the federal and state governments to work with the city to ensure a sustainable public financing plan and rate structure that would prevent a transfer of the utility's financial burden onto residents who are currently paying exorbitant rates for their water services.
- 5. We call for fair water rates for the residents of Detroit.
- 6. We call on the City of Detroit to implement the original water affordability program immediately.

#### Notes:

- 1 Detroit News, Editorial: Water cut-offs send notice to scofflaws, March 26, 2014.
- 2 http://www.clickondetroit.com/news/investigations/sinking-in-unpaid-water-bills-dwsd-owed-118-million/25370670
- 3 Detroit Water and Sewerage Department Retail Delinquency Report by Sales Class accounts billed between April 1 and April 30, 2014.
- 4 http://dwsd.org/downloads n/about dwsd/director/directors report 2014-05-28.pdf
- 5 http://www.freep.com/apps/pbcs.dll/article?AID=2014303220010

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