

June 23, 2022

Monica Lewis-Patrick Cecily McClellan We The People of Detroit -and-Fellow Signatories

RE: City of Detroit Lifeline Water Affordability Plan

Dear Ms. Lewis-Patrick and Ms. McClellan,

Thank you for your letter expressing interest and further inquiry into the Detroit Water and Sewerage Department's (DWSD) proposed Lifeline Plan, Detroit's first true water affordability plan. We The People of Detroit's advocacy for water affordability has been a key motivator for our longstanding efforts to develop an affordability plan that will work both administratively and financially.

The recent influx of temporary federal funding for a Low-Income Household Water Affordability Program (LIWHAP), an increase in funding for the Water Residential Assistance Program (WRAP), Stantec's comprehensive rate study for DWSD, and implementation of upgrades to our billing system have converged and presented us with an unprecedented opportunity to initiate this historic pilot Lifeline Plan.

DWSD's Administrative team is comfortable with taking our Lifeline Plan to the Board for vote on Tuesday, June 28, 2022, as well as having a 30 to 45-day review and comment period. During that time, we will partner with leading community organizations on outreach and, we would greatly appreciate partnership with We the People and others, to: 1) sign people up for the Lifeline Plan; 2) solicit feedback from residents on responsible changes that could be made, barriers, and other challenges; and 3) most importantly, develop a united strategy to obtain long-term funding for the Lifeline Plan. We will use the feedback to inform our process and potentially make adjustments to the plan in January 2023, mid-fiscal year. Again, we look forward to working closely with We the People and other equally important community organizations leading the conversation on water affordability.

In reviewing The Michigan Water Table 11-Point Water Affordability Platform, we feel confident the Lifeline Plan satisfies 8 of the 11 points related to the fundamentals of a successful program, specifically:

3. Water affordability must be modeled along the lines of a sliding-scale, income-based rate system, such as that devised in Roger Colton's 2005 Water Affordability plan prepared for the City of Detroit.

We agree. The Lifeline Plan is an income-based plan with three tiers of capped payments. Participants receive a bill that is 1.8% of the average household income for each tier: SNAP/FAP recipient (\$18), Low-Income Non-SNAP/FAP (\$43) and Moderate-Income Non-SNAP/FAP (\$56).

4. Water affordability must be centered within a framework of preserving and maintaining public health.

We agree. The City's response to the COVID-19 pandemic, extension of the moratorium on service interruptions for non-payment, and our pilot program show our commitment to preserving and maintaining public health.

5. Water affordability must maintain a commitment to principles of conservation and providing assistance to low-income residents to ensure they can be proper stewards of their water resources.

We agree! DWSD has long been an advocate for plumbing repair funding in low-income households so that customers are billed for water they actually need and use for cooking, bathing, washing clothes and cleaning, etc. Wasted water due to leaks, faulty plumbing and old toilets is a primary reason for unaffordable water bills. Plumbing repairs have been a fundamental feature of the current WRAP program and will certainly carry forward in the Lifeline Plan. Wayne Metro has \$10 million per year for the next five years for plumbing repairs thanks to ARPA funding. This is exciting news!

6. Water affordability must enshrine quality customer service as a central value along with a commitment to acknowledge the human dignity of all the people it serves.

We agree! Our partners at Wayne Metro ensure customers receive <u>all</u> potential wraparound resources to improve their quality of life. DWSD is a utility -- a water and sewer services provider -- and we rely on social service agencies and third-party administrators such as Wayne Metro to provide the necessary services and resources over and above our function.

7. Water affordability must find appropriate ways to deal with past consumer debt, such as the policies being implemented in Philadelphia.

We agree! Debt forgiveness is a key feature of our Lifeline Plan. The LIWHAP funding has made this possible. This is also a feature of the current WRAP.

8. Water affordability must eschew water shutoffs as a policy for being inconsistent with the values of public health and the commitment to acknowledge the human dignity of all the people it serves.

We agree that service interruptions are not a viable collection tool for low-income customers who will never be able to afford their bill. Any household enrolled in and adhering to the Lifeline Plan or the 10/30/50 Plan will not be at-risk for a water service interruption for nonpayment. DWSD is committed to partnering with community leaders and organizations to make sure every eligible household has the opportunity to enroll.

9. Water assistance plans are not the same as water affordability plans and must not be advertised as such.

We agree there is a difference. The current WRAP is an assistance program and has a temporary \$25 payment credit per month. This Lifeline Plan serves as an affordability plan because it caps the bill at 1.8% of the average household income for each tier. We have incorporated all of the critical elements water advocates have asked for within the Lifeline Plan.

10. Tiered water pricing plans, where water is priced by volume, are not the same as water affordability plans and must not be advertised as such.

We agree, in part. Tiered water pricing plans (a/k/a inclining block rates) shift the cost of water service to high volume users who burden the water system more than the average residential users. A tiered pricing plan is more equitable. It ensures that the base price for services appropriately reflects the cost of service and lowers the price per unit for low volume users. Tiered water pricing is not intended to substitute for an affordability plan.

The three remaining points in the 11-Point Water Affordability Platform are laudable mission statements, and we stand with you in securing state and federal funding to carry out the mission.

Time is of the essence to move forward with this historic and exciting program. We trust you do not want to delay implementation of an \$18 water bill for SNAP/FAP recipients and this much-needed relief for our most vulnerable customers. We have made decisions from a technology and financial perspective that allow us to put the plan into place so the August 2022 bill reflects the pilot methodology. As stated above, we commit to having a 30 to 45-day review and comment period.

We cannot stress enough the value and strength of all of us working together on long-term funding. As We The People of Detroit is well aware, there is an urgent need to lobby our state and federal legislators to make the commitment to fund LIWHAP at the same level as LIHEAP. There are proposals in various congressional committees that are stalled due to debate whether the Environmental Protection Agency or the Department of Health and Human Services will administer the program. Further, we agree with you wholeheartedly that the Great Lakes Water Authority (GLWA) must address water affordability at the regional level as well. We must work together, and we make that commitment to you.

Next, I will speak to the demands for information on the third page of your letter:

- Regarding Usage Rates: The rate study Stantec performed for DWSD determined that usage over 6 CCF (4,500 Gallons) per month is the threshold where we can show an increased burden on the system. Note that 80% of our residential customers use 6 CCF or less. Customers who use more than 6 CCF most likely have plumbing issues and Wayne Metro has \$10 million a year for the next 5 years to address plumbing issues. We will continue to work with residential customers who have excessive usage to help them bring their usage below the threshold.
- What led to this change? We don't see this plan as a shift or change in approach. We have always sought to find ways to provide low-income residents assistance with their water bills. As described above, the timing of this Lifeline Plan is a convergence of funding, billing system upgrades and the Stantec rate study. What steps do we take to move this from a pilot to permanent? We must work together to obtain state and/or federal long-term funding!
- What input and influence would we have on program decisions and course corrections? Also, how can we be sure that we will not be used as scapegoats when challenges or problems arise? We commit to holding workshops to discuss the Lifeline Plan as currently designed, potential improvements and the strategy to obtain long-term funding. We anticipate there will be challenges and problems, as would be with any pilot program. DWSD takes full ownership and has no interest in casting blame.

Ms. Lewis-Patrick and Ms. McClellan, we have shared many robust and spirited conversations on water affordability. We have heard your concerns and ideas. And, over the years, we have implemented many of your requests. Every decision we make at DWSD takes affordability into account and we have worked tirelessly to keep rate increases as low as possible. This Lifeline Plan pilot represents our good faith, heartfelt effort to fulfill a need for many households in our community utilizing the resources presently available.

We trust you will have comments at the Board meeting next week consistent with the content of your letter. Should we obtain the Board of Water Commissioners' support for the pilot Lifeline Plan, we hope you will join us at a press conference to express your support.

Sincerely,

Say A Brann

Gary A Brown Director

cc: Board of Water Commissioners



June 22, 2022

Detroit Water & Sewerage Department Water Board 735 Randolph Street Building 1st Floor Detroit, MI 48226

To: Gary Brown

Debra Pospiech

Bryan Peckinpaugh Scott Benson

From: Monica Lewis-Patrick

Cecily McClellan

We The People of Detroit

On June 17, 2022, Detroit Water and Sewerage Department's (DWSD) Director, Gary Brown, presented an overview of the Detroit Lifeline and Water Affordability Plan in a virtual meeting where he asked for activists and community support. We The People of Detroit (WPD) supports the overall goals of reducing arrears and guaranteeing water access for all. However, before we get behind this initiative, we ask that DWSD share the complete plan with WPD, fellow water justice advocates and the community at large and that DWSD provides a 30-45 day period for review and public comment.

As community advocates who have been fighting for water affordability for over a decade, which has only been met with opposition by Mr. Brown and DWSD, we are quite surprised at the abrupt change in direction. Given the history of Mr. Brown's opposition, we must do our due diligence to confirm that the plan aligns with the community values outlined in The Michigan Water Table 11-Point Water Affordability Platform. This letter seeks to:

- 1. Share our concerns about the process
- 2. Identify the key points that must be included in any water affordability plan
- 3. List the questions that must be answered as we move forward

During last week's meeting, activists requested access to the official document that DWSD will submit to the Board of Water Commissioners for approval. At that time, Bryan Pekinpaugh, Detroit City Public Affairs Director, indicated that they would not share the plan with the community until they have presented it to the Board of Water Commissioners for a vote. This



approach does not meet our community engagement standard; quite frankly, we find it unacceptable to ask for our support without giving us full access or time to review the plan we would be supporting.

This approach excludes community members from the opportunity to offer vital input on a critical topic that directly affects their access to water and does nothing to build trust, where little to none exists. With so much at stake, we support moving forward after a 30-45 day review period to give public input- before the presentation to the Board of Water Commissioners.

Additionally, we submit that based upon the 11-Point Water Affordability Platform, any water affordability plan adopted by the City of Detroit Water and Sewerage Department must:

- 1. Be detailed in writing and made available to the public for review and comment at least 30-45 days in advance of the next Board of Commissioners meeting,
- Commit the DWSD to fund the affordability program for the long-term, including
 developing a more equitable regional rate structure. Should DWSD fail to have a longterm strategy in place after two years, this will represent a failure of the leadership of
 DWSD and GLWA,
- 3. Establish and empower an Ombudsman inside DWSD to serve as an advocate for the consumers of water and wastewater services,
- 4. Guarantee that households at or below 200% of the Federal Poverty Level (FPL) are subject to an income-based rate for water and wastewater services, and eliminate the water and wastewater debt held by households at or below 200% FPL, and
- 5. Create a transparent structure for tracking and reviewing the program's implementation, providing community members with detailed data and information about eligible households and the households reached through the program.

We are still unclear about a long-term funding strategy for DWSD's proposed plan. In the interim, as a show of good faith between the community and DWSD, Mr. Brown should immediately remove arrearages for households at or below 200% of the FPL and keep the moratorium on water shutoffs.

We the People of Detroit, deeply holds a sense of urgency and understand that our community needs access to the clean, safe and affordable water they deserve. Yet, given our history, we have trepidation in this moment that DWSD is being honest and transparent about a solution for water affordability. Mr. Brown's plan has not been distributed to the community, nor has the community had the chance to weigh in. As we move forward, there is a need for barrier-free communication, transparency, and genuine community inclusion.

As members of the community, we demand to know:



- What data supports the proposed rate of 6 CCF or 4,500 gallons of access per month and payment of up to \$700 of arrears? How do we know that is the right level for Detroiters, particularly those with large families and with significant challenges with leaky plumbing?
- What led to this change of position, and what steps do we take to move this from a pilot to a permanent program? Do we have the information and resources needed for a longterm funding strategy?
- There seems to be an assumption of partnership with community groups, including We the People of Detroit. What input and influence would we have on program decisions and course corrections? Also, how can we be sure that we will not be used as scapegoats when challenges or problems emerge?
- How will this program be integrated into a more comprehensive, equitable water rate affordability plan for Detroiters?

We appreciate your time and consideration; and we are hopeful that Mr. Brown and DWSD will meet our request to make the complete Lifeline and Water Affordability plan available for community review and public comment for 30-45 days before submitting it to the Board of Water Commissioners.

In commitment to building the Beloved Community,

Monica Lewis-Patrick, President & CEO

We The People of Detroit

Cecily McClellan, Director of Water Works We The People of Detroit

Certy mcclellon

Fellow Signatories

Jackson Koeppel

Congresswoman Rashida Tlaib

Gwendolyn Winston, Wisdom Institute

Tommy Airey, Kardia Kaiomene (Detroit, MI)

Lindsay Airey, Kardia Kaiomene (Detroit, MI)

Helen Moore, President, 8335 Indiana

Rev. Roslyn Bouier, M. Div., Brightmoor

Connection



Rev. Joan Ross, North End Woodward Community Coalition (NEWCC) the Storehouse of Hope

The Original Citizens of Southwest Detroit

48217 Community Health and Environmental Organization

Professor Emily Kutil, Co-Director of We the People of Detroit: Community Research Collective

Russ Bellant

Linda S. Campbell, Detroit People's Platform

Mary Grant, Public Water for All Campaign Director, Food & Water Watch