

DIRECTOR'S REPORT

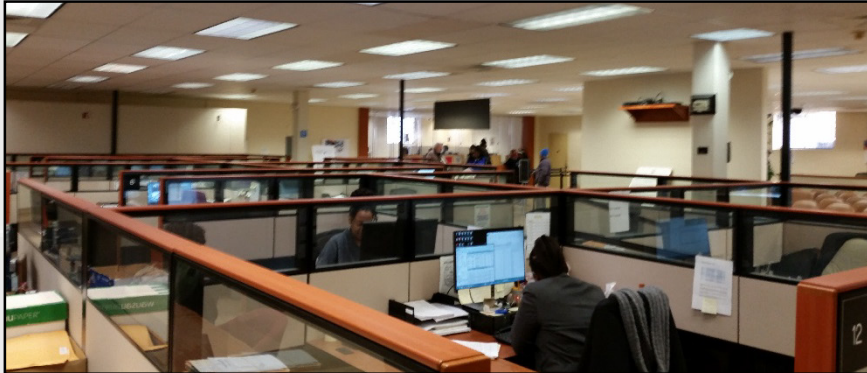


April 20, 2016

Customers Current on DWSD Bills	TBD (data will be aggregated)
Active in Payment Plans	32,042 28.4% ↓
Customers Shut-Off Eligible	24,304 47.6% ↑
Collection Rate (in past 90 days)	75.12% 2.6% ↓
Customer AMR Meters	Repaired/Replaced TBD
Fire Hydrant Repairs	1,443 Repaired 235 Backlogged 41.1% ↓
Reports of Running Water	359 Reported 100% Cases Closed 10.0% ↑
Water Main Breaks	72 Reported 100% Cases Closed 6.0% ↑
Clogged Drains	TBD Reported Days to Close TBD
Customer Dispute Resolutions	% of Cases Closed TBD
Information Technology	App Availability 0.045% ↓

Residential Customer Outreach

Public Affairs is creating an intense two-week campaign designed to effectively communicate with customers the importance of staying connected to DWSD and keeping their water on. This effort is being developed to inform and educate customers on the necessity of being on a payment plan, either the 10/30/50 or the Water Residential Assistance Program (WRAP) to avoid a shut-off.



Outreach efforts under development include:

- Creating flyers and posters for payment centers and key areas where customers likely visit, e.g. neighborhood businesses and city recreation centers;
- Concentrated media (radio, print, and cable spots) slated for target audience;
- Press conference during week one with community leadership;
- In conjunction with media, a water assistance fair at the Eastside Customer Care Center, and possibly Westside Customer Care Center, advising customers to enter into a payment plan (radio will broadcast from location to assist in messaging);
- Select radio interviews;
- City of Detroit cable channels (video);
- In cooperation with neighborhood district managers, presentations to specific venues including churches, small businesses and community centers; and
- City Website updates.

Commercial Customer Update

DWSD has undertaken an aggressive approach to collect on past due commercial accounts. The outcome is that significantly less bad debt will be transferred to rate payers next year.



DWSD staff have taken the following actions.

- Under a pilot program with law firm, Kilpatrick & Associates, DWSD has pursued collections on 40 commercial accounts that are delinquent, an aggregate past due amount of more than \$520,000. Several accounts are apartment buildings where the owner has not paid the bill. In these instances, DWSD will not shut off the buildings since tenants are not responsible for the water bill. The law firm is pursuing collections on the accounts by filing civil action and negotiating on behalf of DWSD to secure payment arrangements. The law firm will be given an additional 220 delinquent commercial accounts which has an aggregate past due amount of \$1.7 million.
- DWSD assigned staff to manage 1,400 commercial accounts with past due bills. In the past 30 days, DWSD staff has placed 400 commercial accounts into payment plans. Staff are outreaching with the remaining 1,000 delinquent commercial customers to offer payment plans.
- DWSD is negotiating with several large commercial customers, such as Russell Industrial Center, Vargo Golf and the Michigan Department of Natural Resources, which have past due accounts.



Pilot Program: Lead Service Line Replacement

DWSD is spearheading a new pilot program to partner with customers to replace lead service lines in the city of Detroit. The program is expected to reduce a resident's cost to replace their portion of the lead service line by up to 30 percent.



DWSD participated in its first pilot project with a customer on April 15 in the West Village neighborhood on Detroit's near eastside. DWSD performed the excavation to remove the lead line and replace it with copper. DWSD removed the City's portion of the lead line from the 4-inch water main to the stop box in the customer's front yard. The excavation area in the yard remained open in order for the customer's contractor to then replace the resident's portion of the service line and restore the yard. This process enabled DWSD to see where it can improve the procedure and make it more efficient for both DWSD and the customer.

In the next 30 days, DWSD is expected to partner with residents to replace at least 30 lead service lines. As part of the effort, DWSD will have water samples tested before and after the lead service line replacement to compare water quality.

The DWSD executive team is developing a lead service line replacement program, based on the outcome of this pilot, that will be integrated into the DWSD Capital Improvement Program (CIP).

New Round of Lead Testing in Residential Homes

While frequent water sample testing in the distribution system reports that Detroit's drinking water exceeds federal standards, DWSD seeks to assure residents that the water is safe. DWSD will implement a new round of water quality testing at single family homes this June. DWSD is not required by the Environmental Protection Agency (EPA) and the Michigan Department of Environmental Quality (MDEQ) to perform water sample testing under the current federal Lead and Copper Rule until 2017.

The city's aging housing stock and contaminated dirt is the most significant contributor to lead according to the City's Department of Health and Wellness Promotion. Ninety-seven percent of Detroit's houses were built before 1978 when lead was still present in paint.

DWSD plans to gather water tap samples from the 50 homes tested during the 2014 round. In addition, 50 more homes will be tested that are in the zip codes where the highest levels of lead in children are being reported.

DWSD will partner with the faith-based community and other community groups to engage residents in gathering the water tap samples. New, more stringent testing protocols that have been advised for the EPA to implement next year will be used in the June 2016 testing to be led by DWSD. The Great Lakes Water Authority's Water Quality Unit will be a key partner in performing these tests and verifying the results.

DWSD will release the results by July 1, 2016.



DWSD Metrics

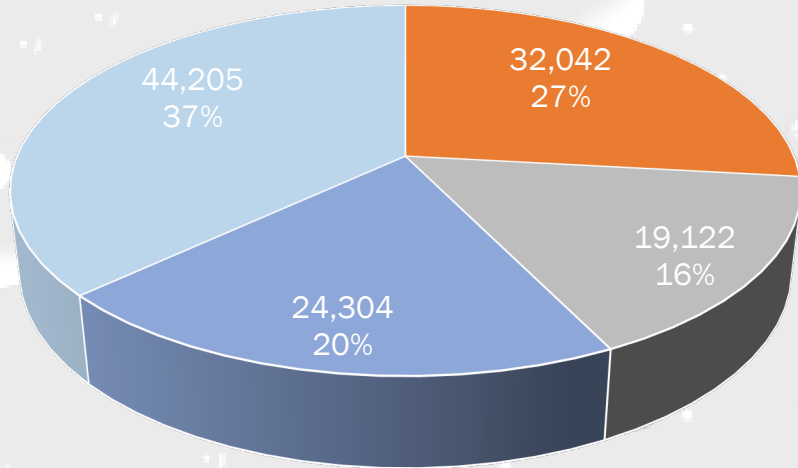
Updated: April 20, 2016



Customer Care



Customer Care: Account Status* (all customers)

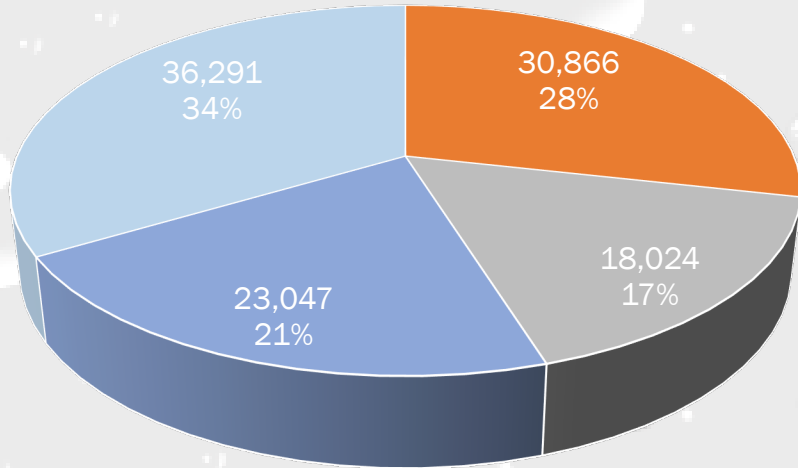


- Active in Payment Plan
- Over 60 Days & Less Than \$150 Past Due
- Shut-Off Eligible
- Water Off



*Customers who are current on their DWSD bills are not included in this chart. It is difficult to pull accurate data under the existing billing process. This will be resolved and the numbers will be included in the next Board Metrics report.

Customer Care: Account Status* (residential)

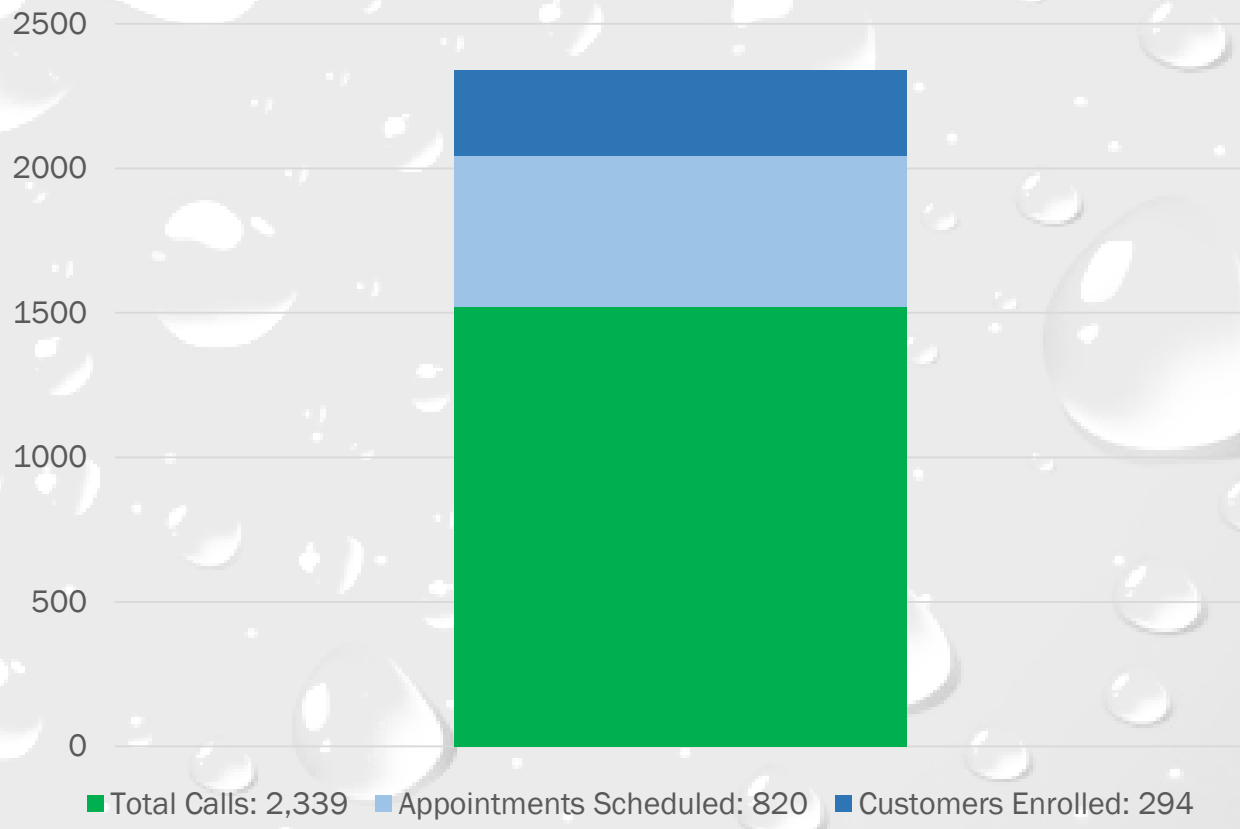


- Active in Payment Plan
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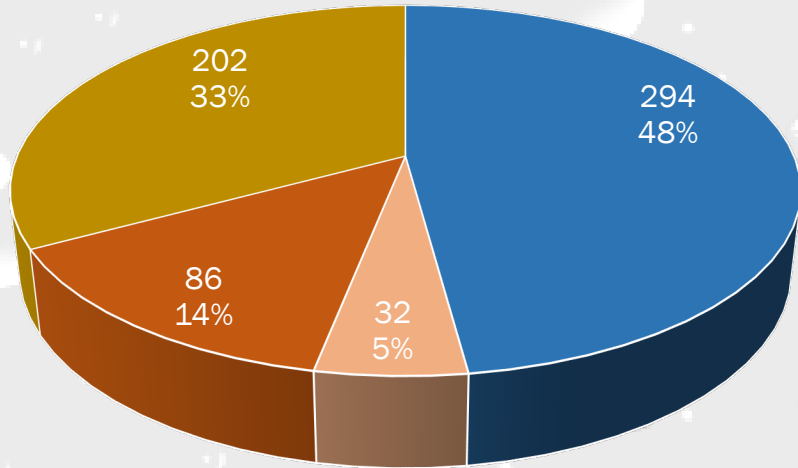


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Customer Care: WRAP Appointments (since March 1)



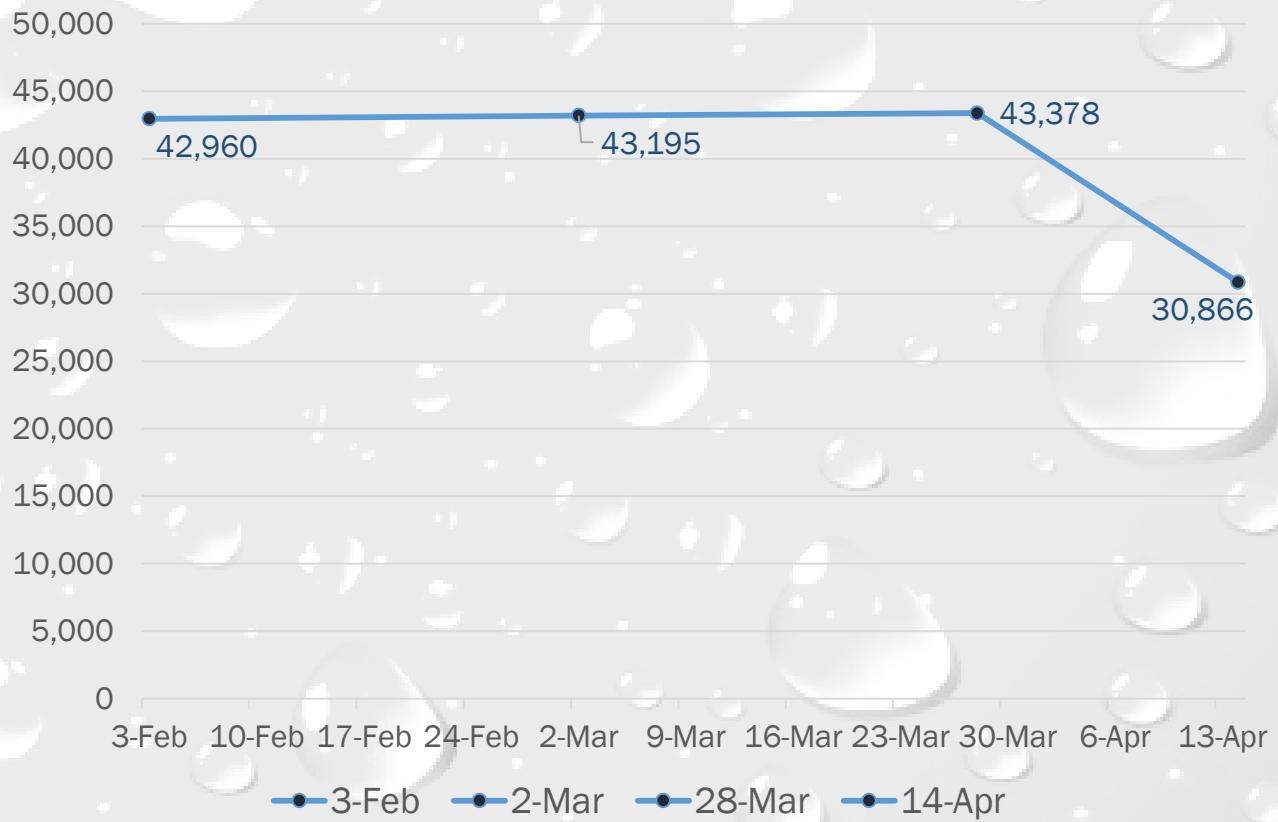
Customer Care: WRAP Enrollees (based on appointments)



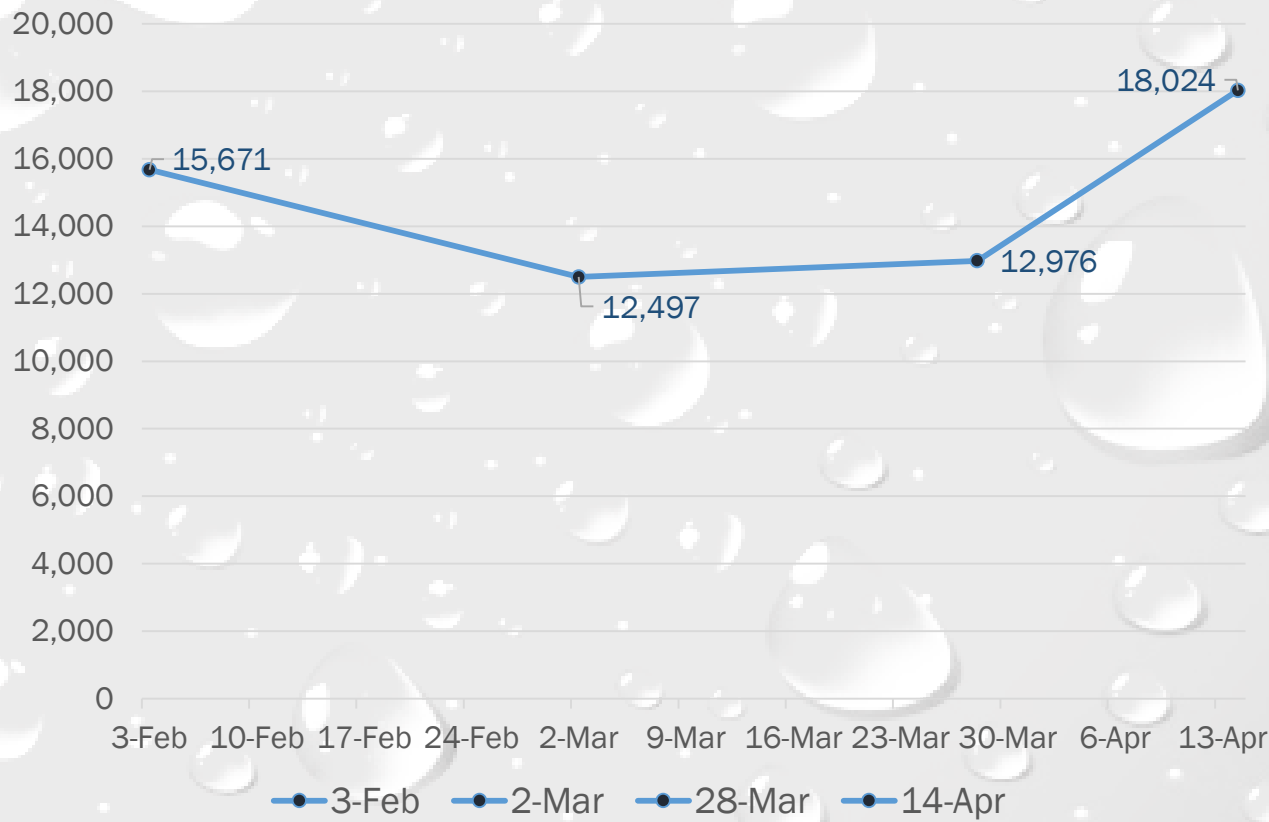
- Clients Enrolled
- Deemed Ineligible At Appointment
- Deemed Ineligible Before Appointment
- No-Show/Canceled Appointment



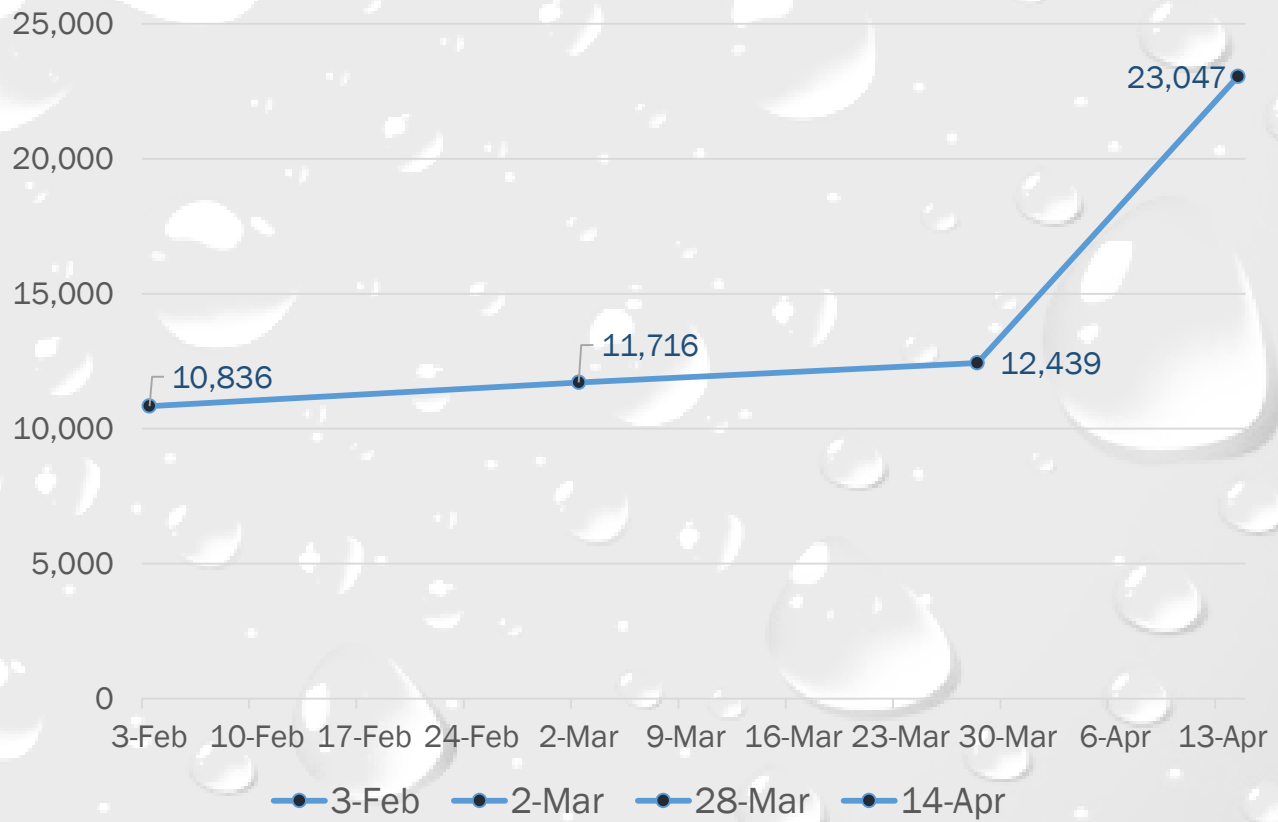
Customer Care: Payment Plan Arrangements (residential)



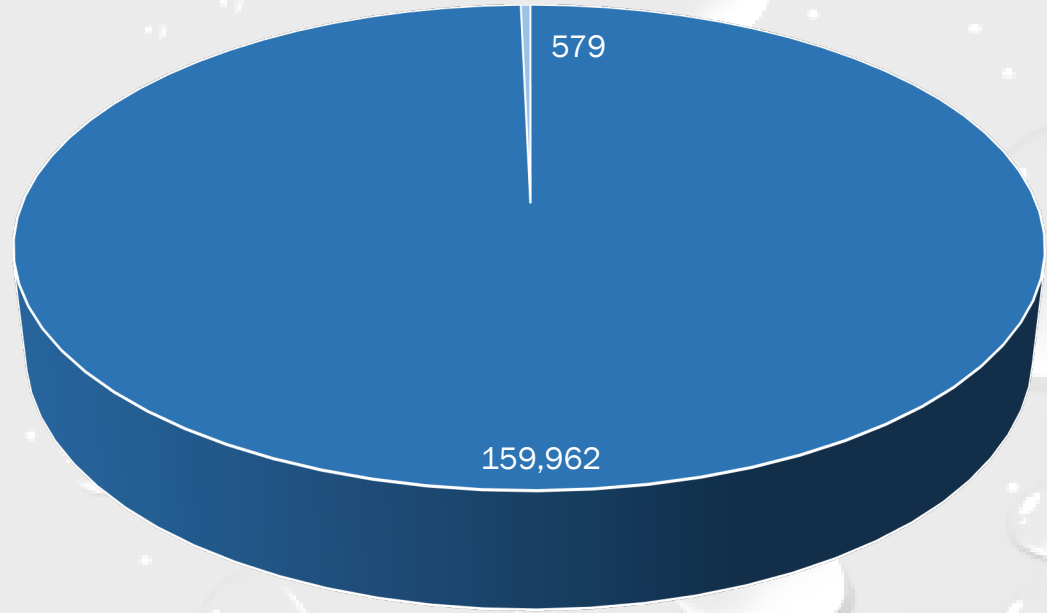
Customer Care: On the Bubble (residential 60 days & \$150 past due)



Customer Care: Shut-Off Eligible (residential)



Customer Care: Meter Operations* (residential)

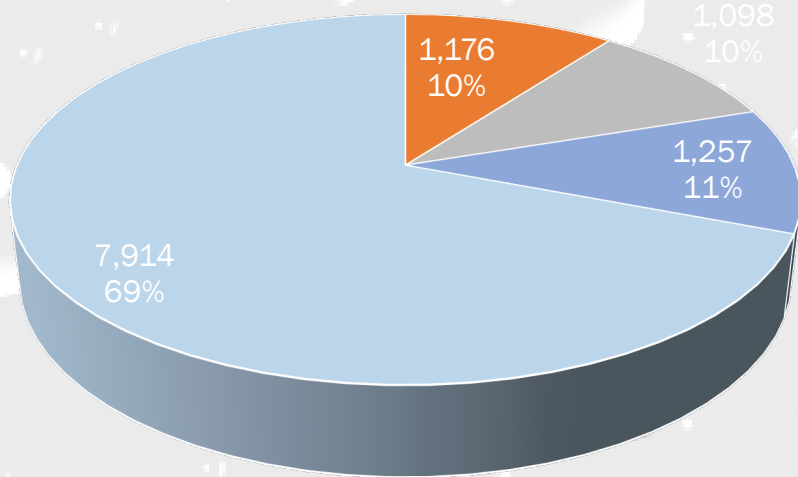


■ Residential with AMR Meter ■ Residential with Non-AMR Meter



*In the next report, the number of AMR meters which are malfunctioning and the number which have been repaired will be included.

Customer Care: Account Status* (commercial)

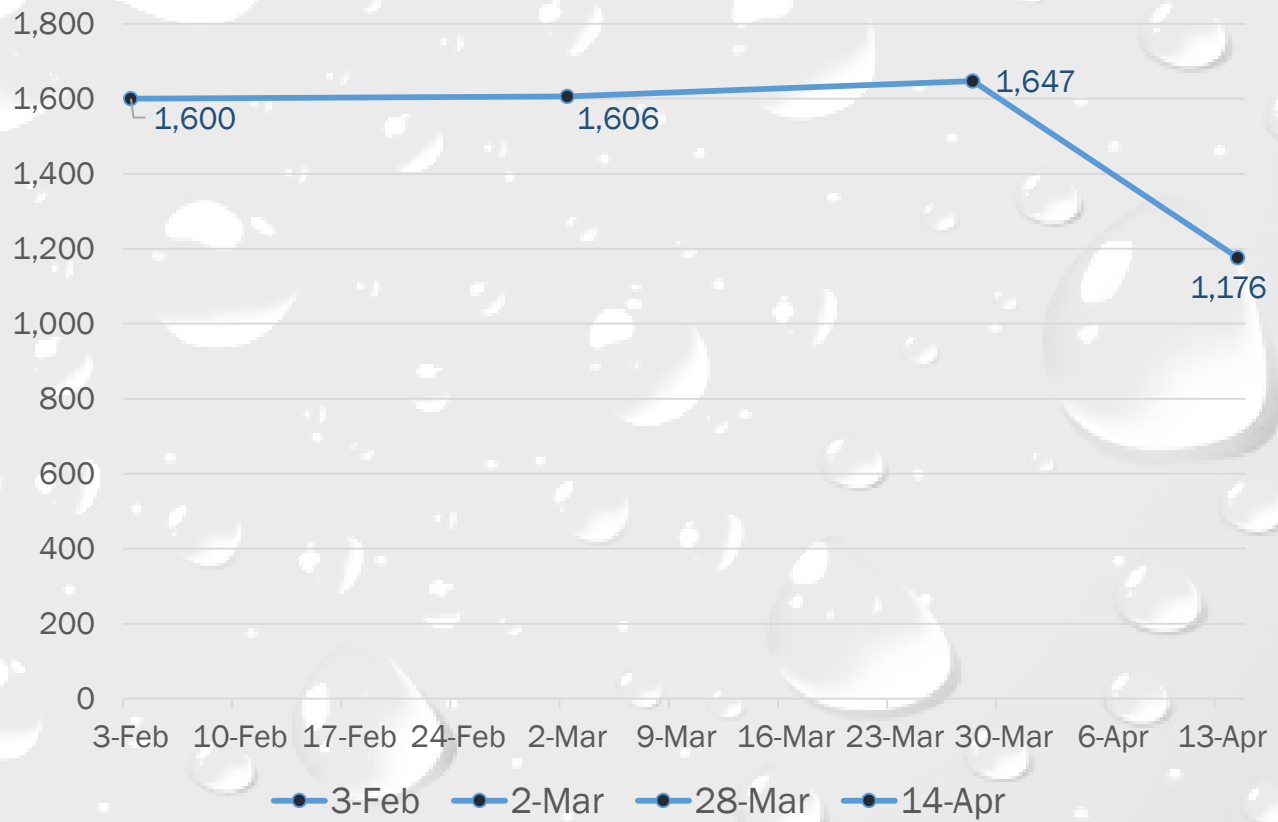


- Active in Plan
- Over 60 Days & Less Than \$150 Past Due
- Shut-Off Eligible
- Water Off

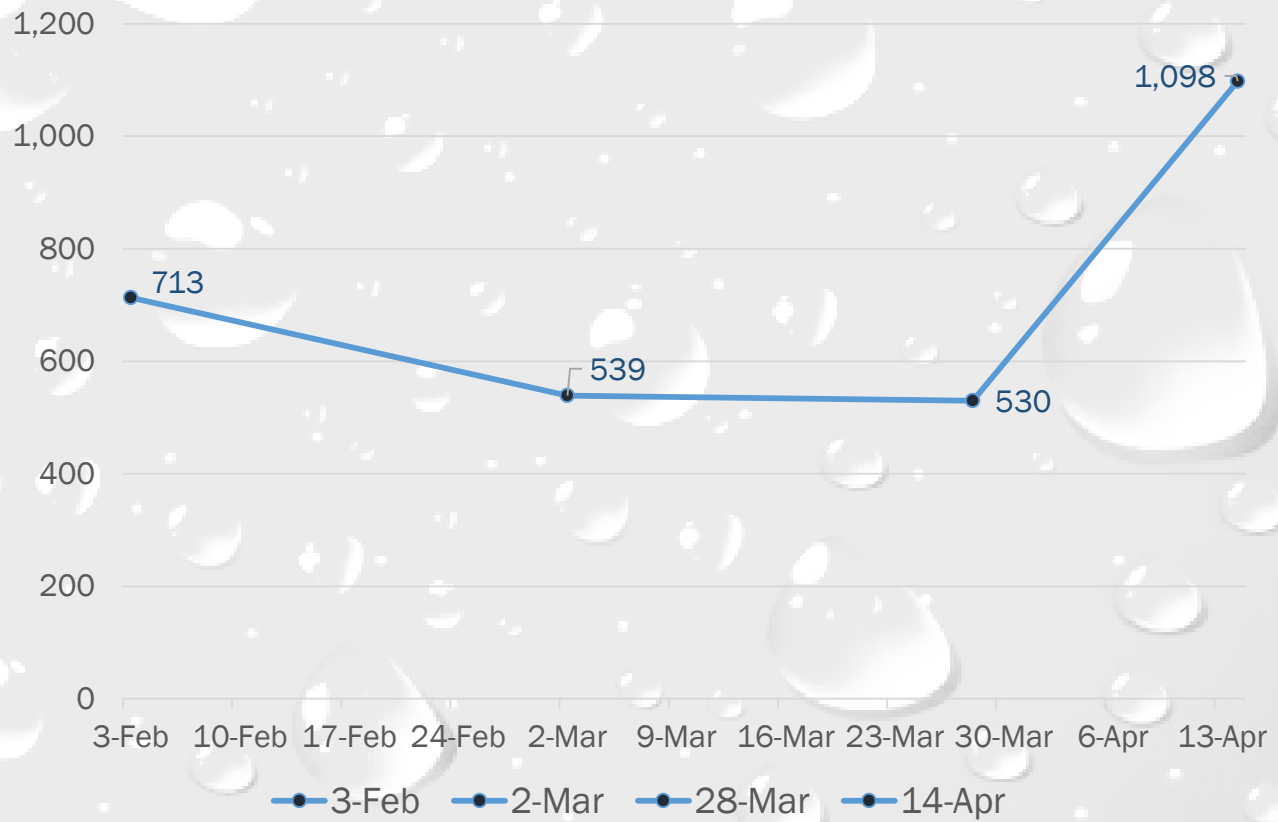


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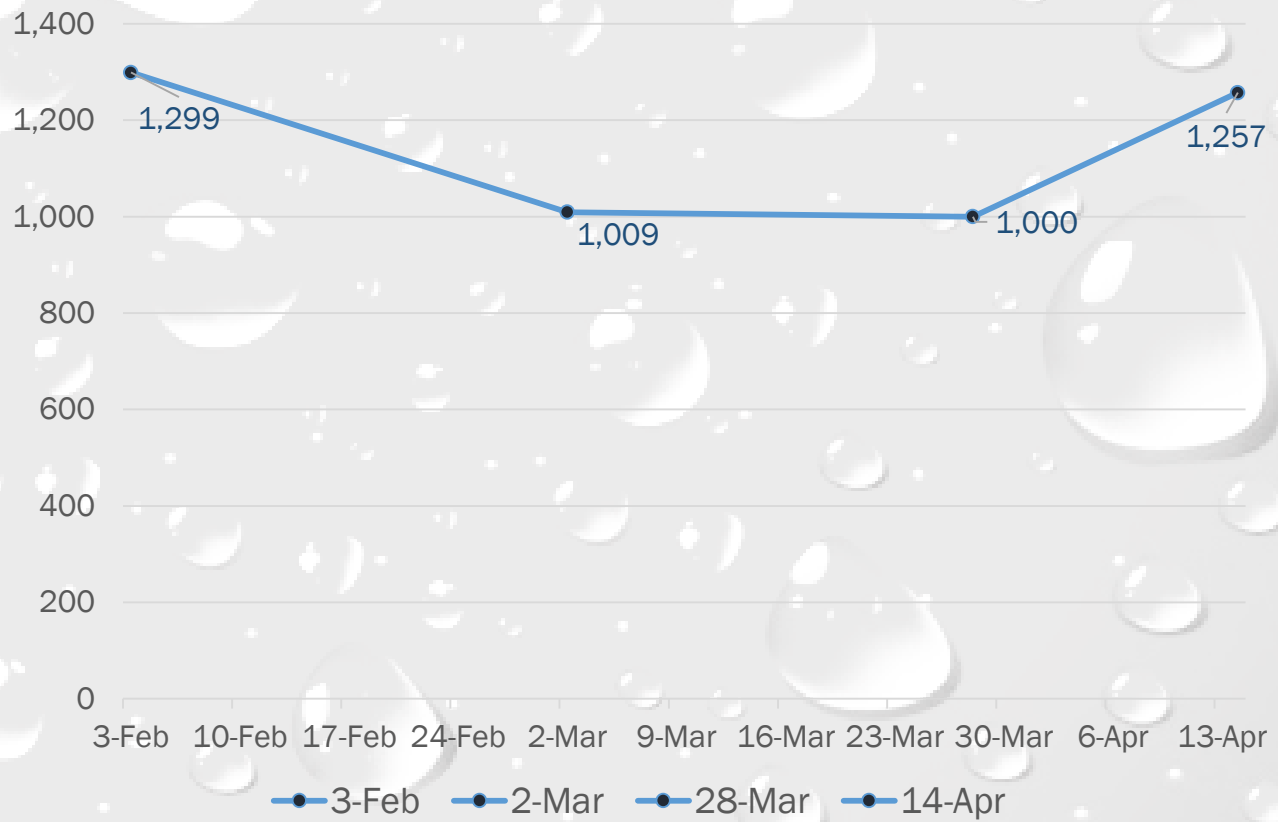
Customer Care: Payment Plan Arrangements (commercial)



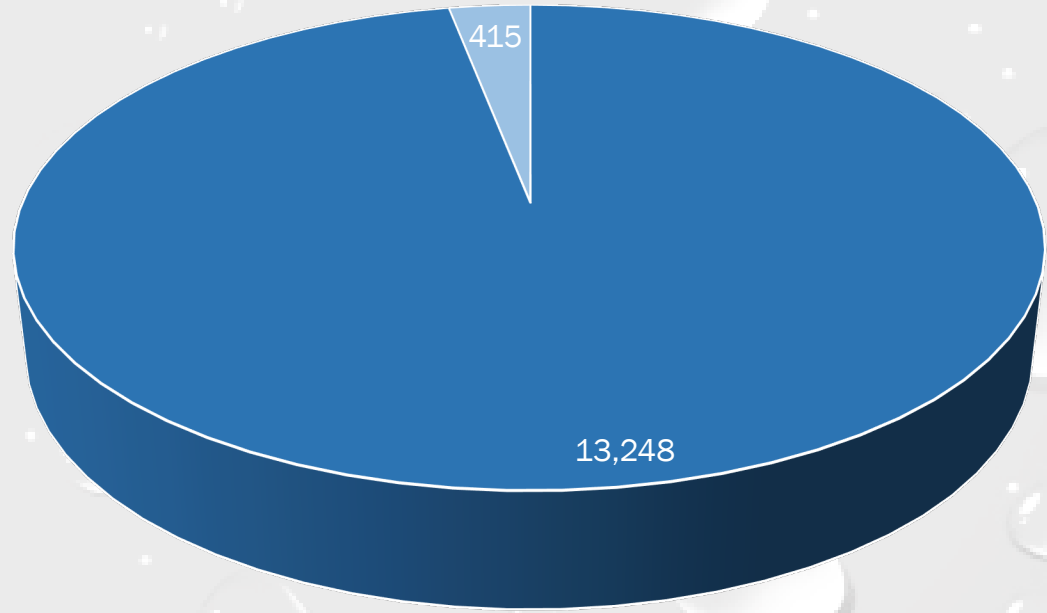
Customer Care: On the Bubble (commercial 60 days & \$150 past due)



Customer Care: Shut-Off Eligible (commercial)



Customer Care: Meter Operations* (commercial)



■ Commercial with AMR Meter ■ Commercial with Non-AMR Meter

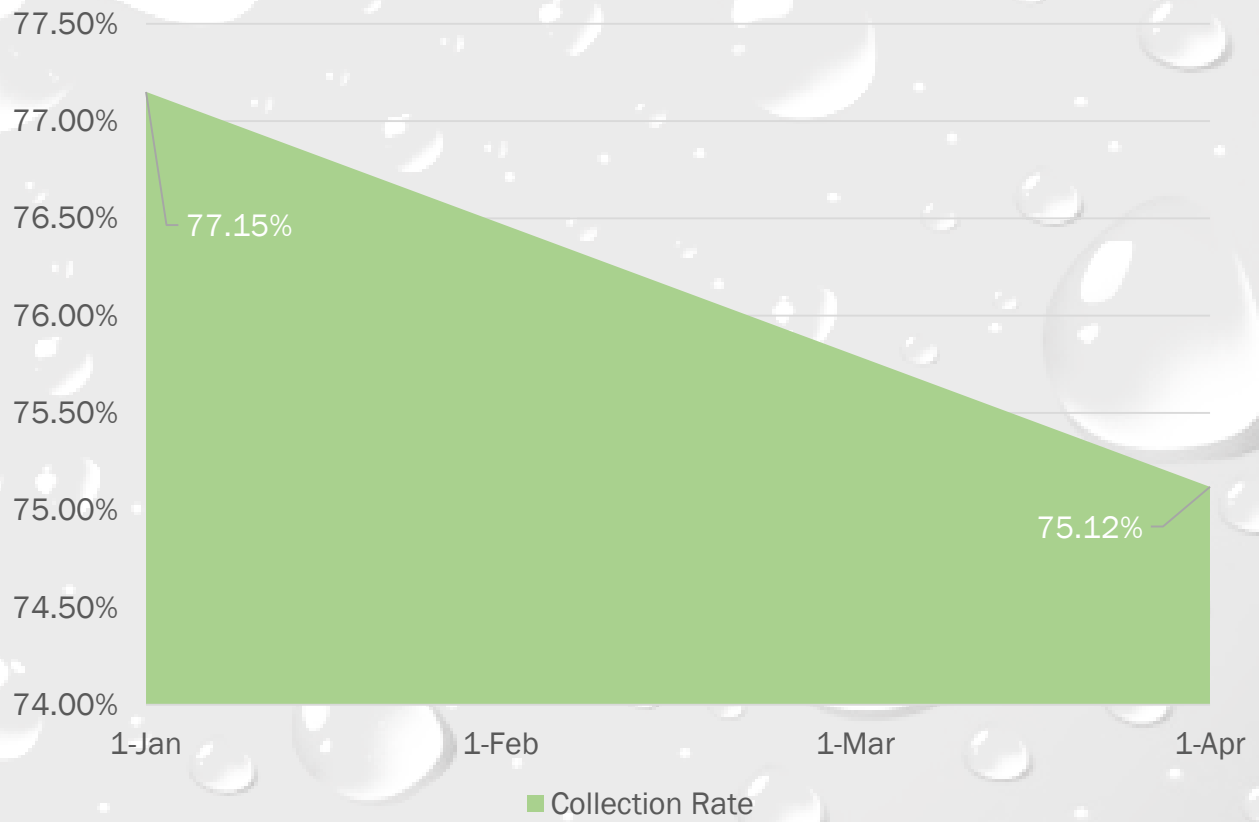


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Finance



Finance: Collection Rate

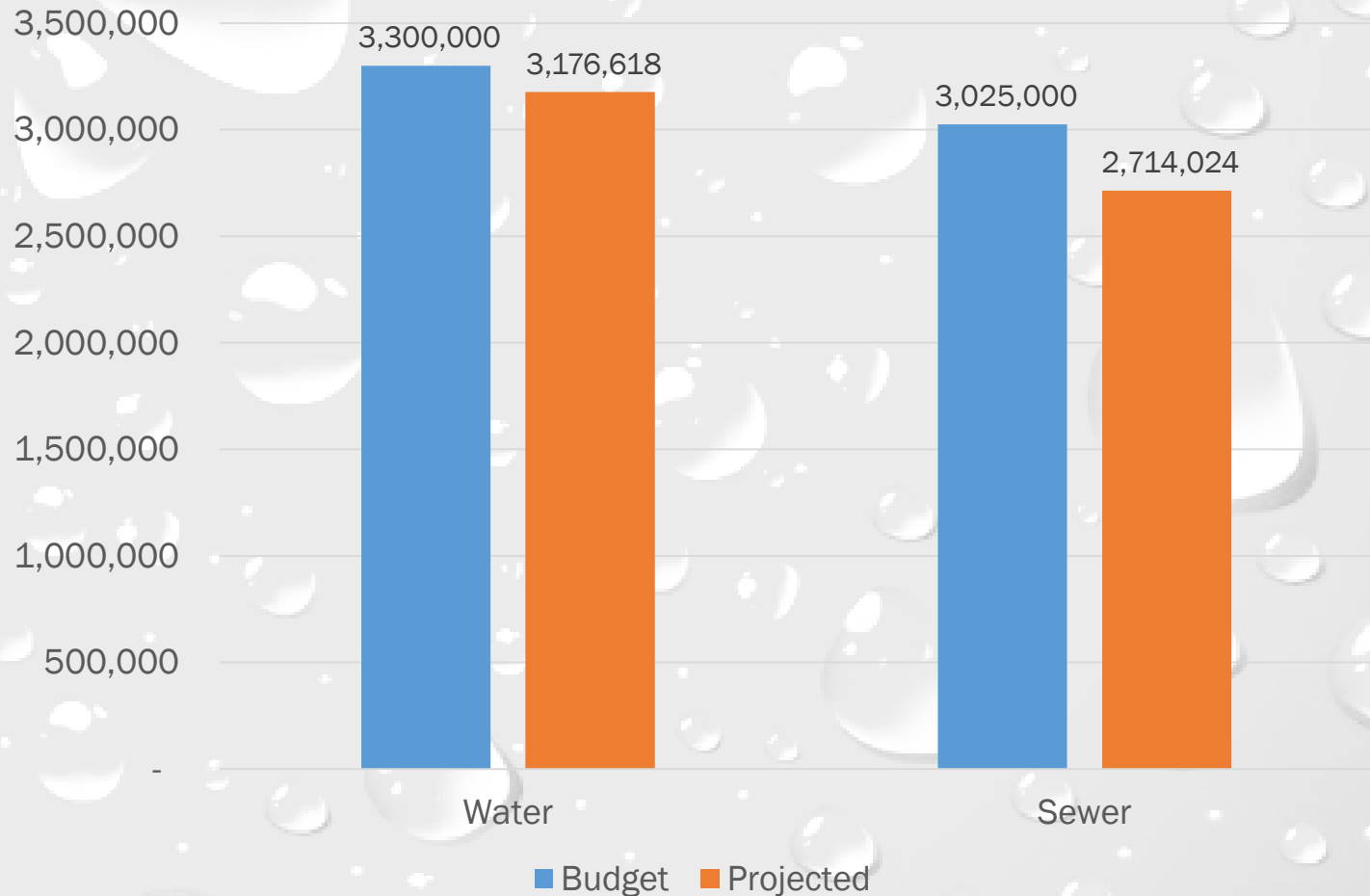


Finance: Cash Flow Status

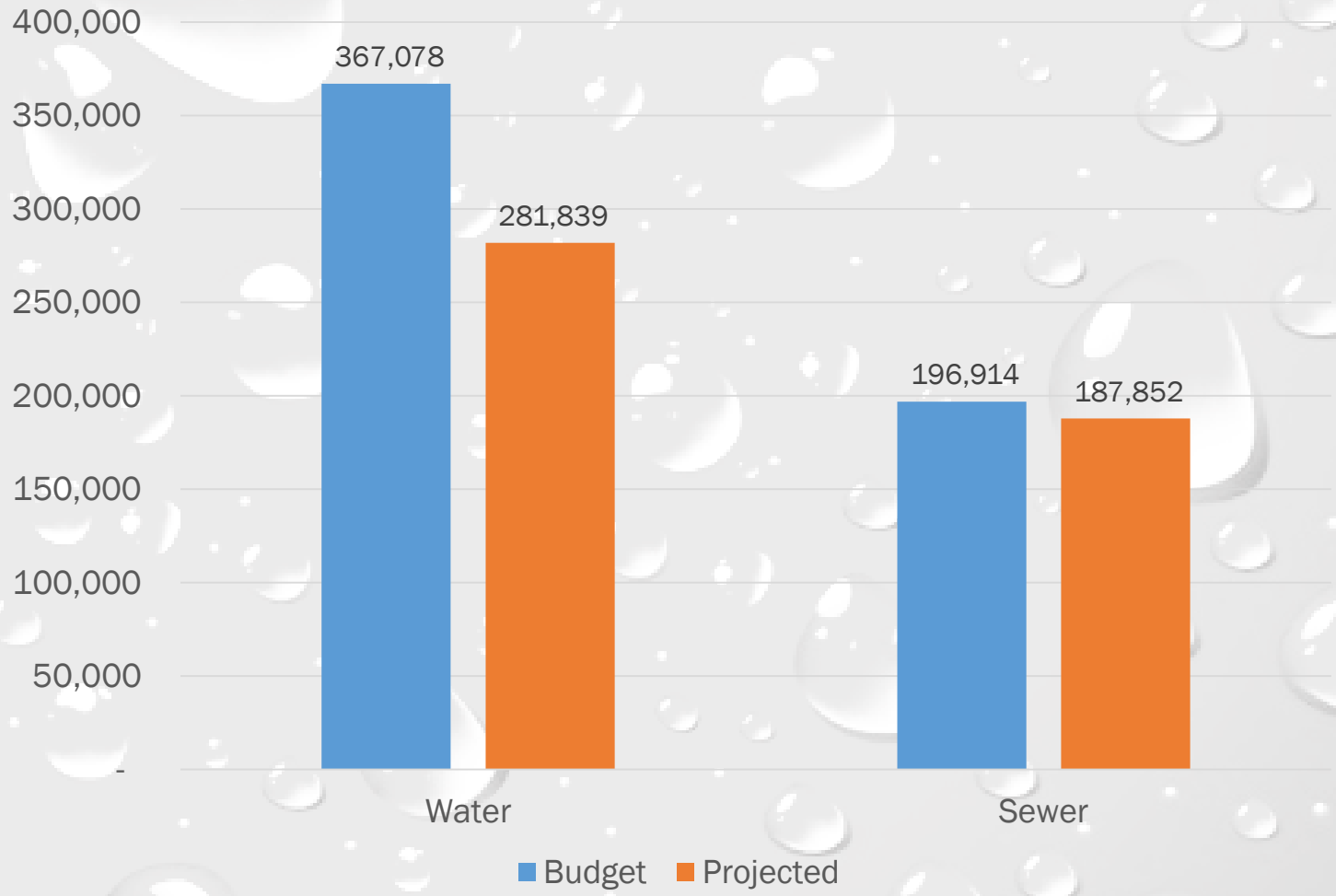
Data will be shared in
the May 2016 Report
and going forward.



Finance: Commodity Volumes



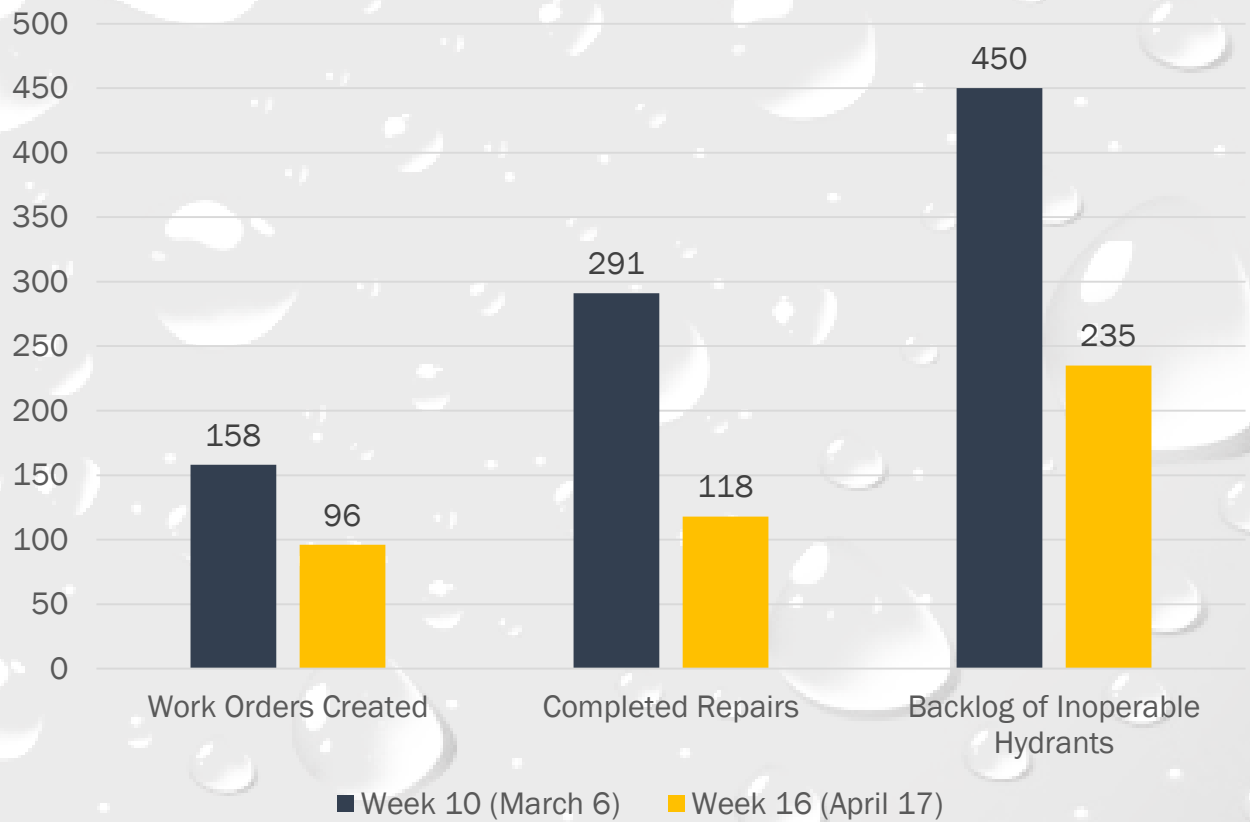
Finance: Equivalent Accounts



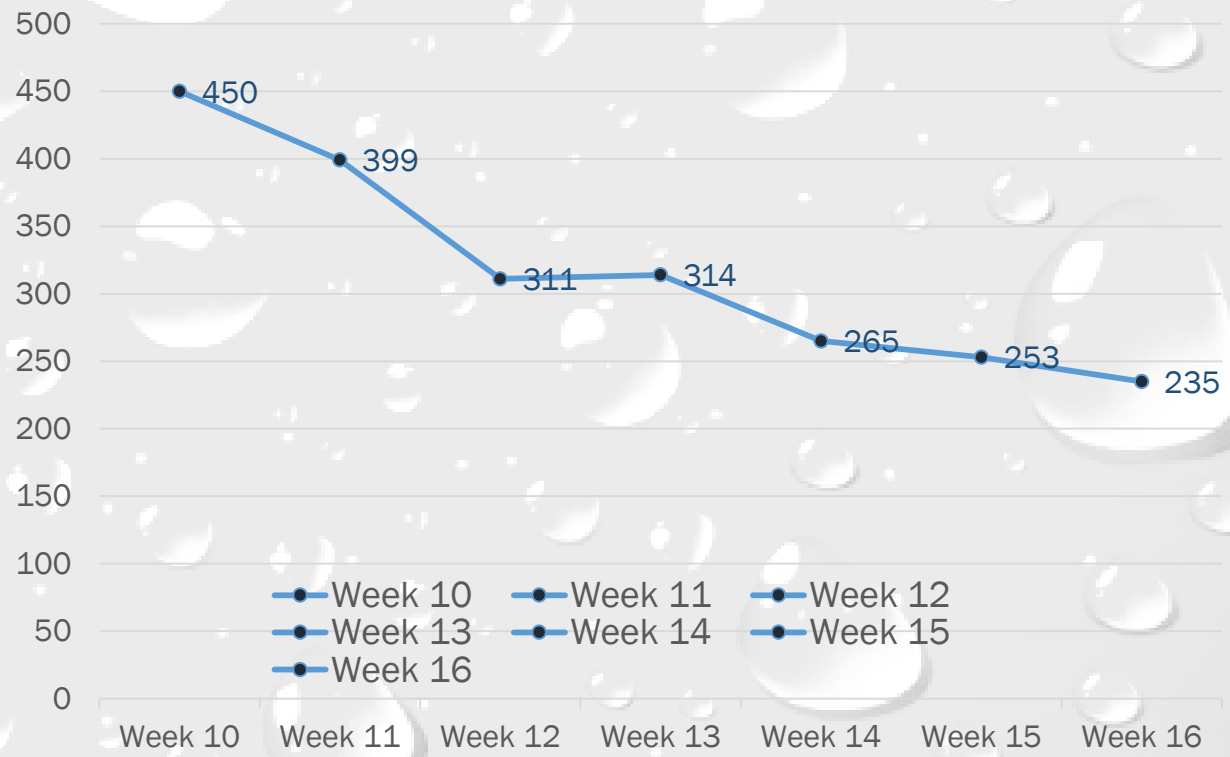
Field Services



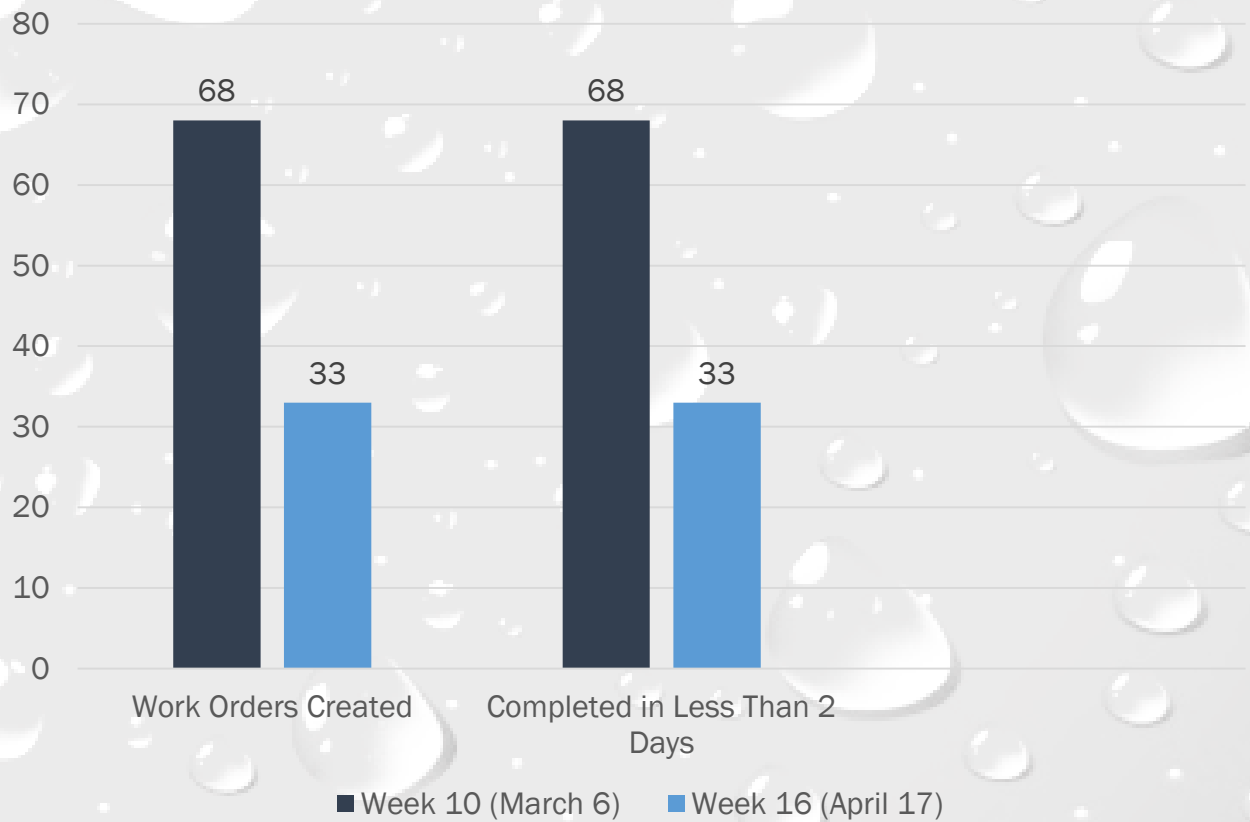
Field Services: Fire Hydrant Repairs



Field Services: Backlog of Inoperable Fire Hydrants

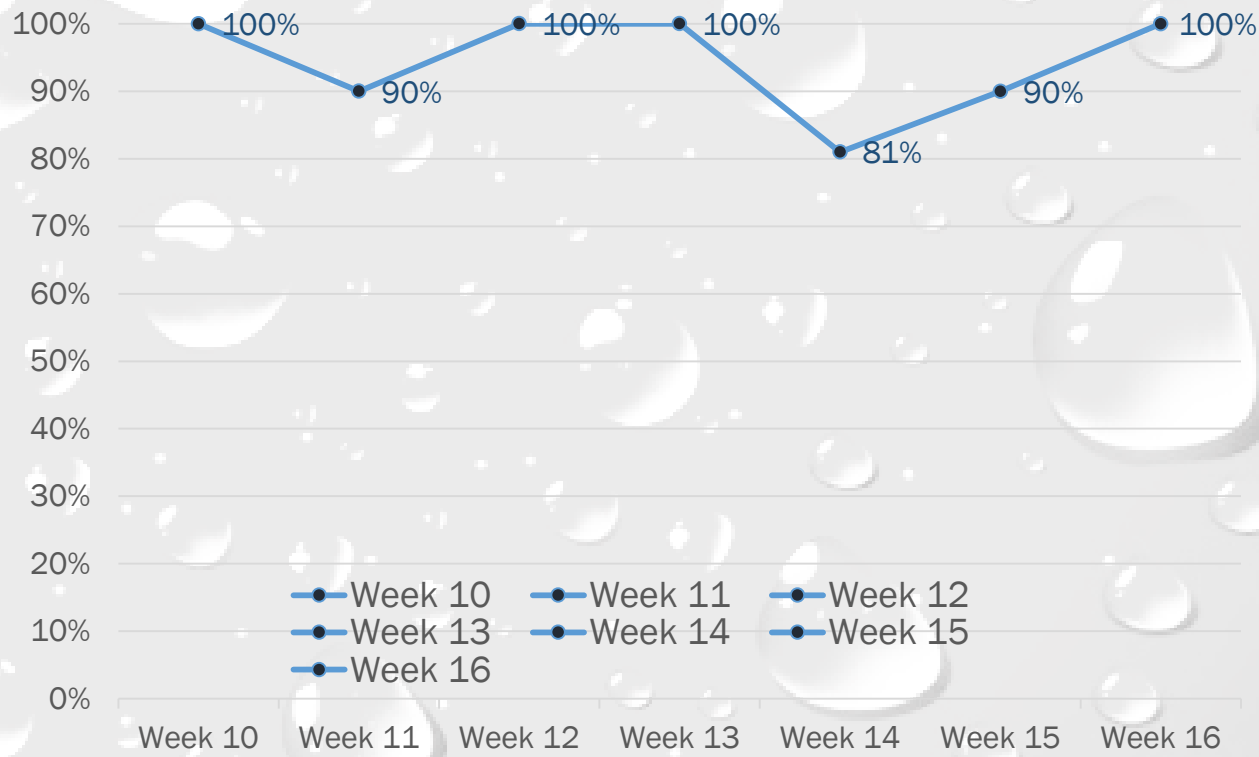


Field Services: Reports of Running Water

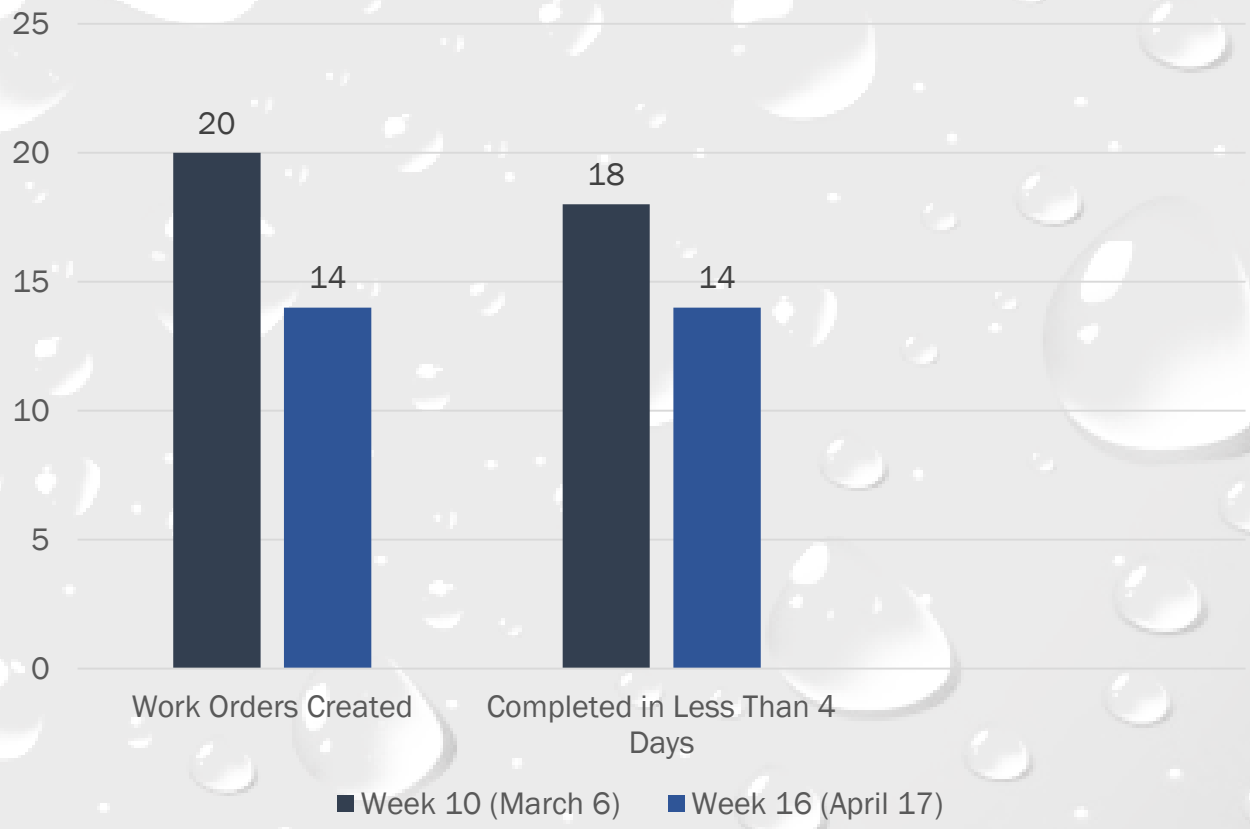


Field Services: Reports of Running Water

Completion Rate within TWO Days

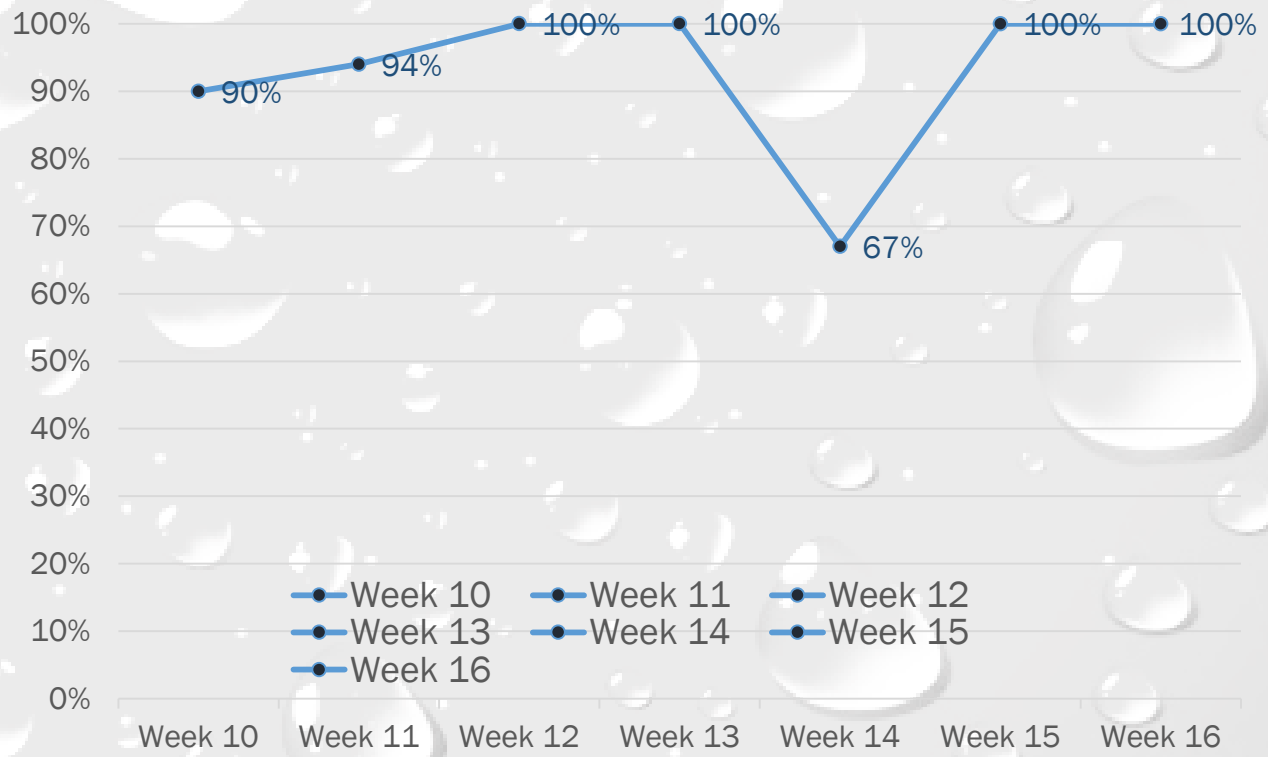


Field Services: Water Main Repairs



Field Services: Water Main Repairs

Completion Rate within FOUR Days



Field Services: Clogged Drains

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Legal Services



Legal: Customer Dispute Resolutions

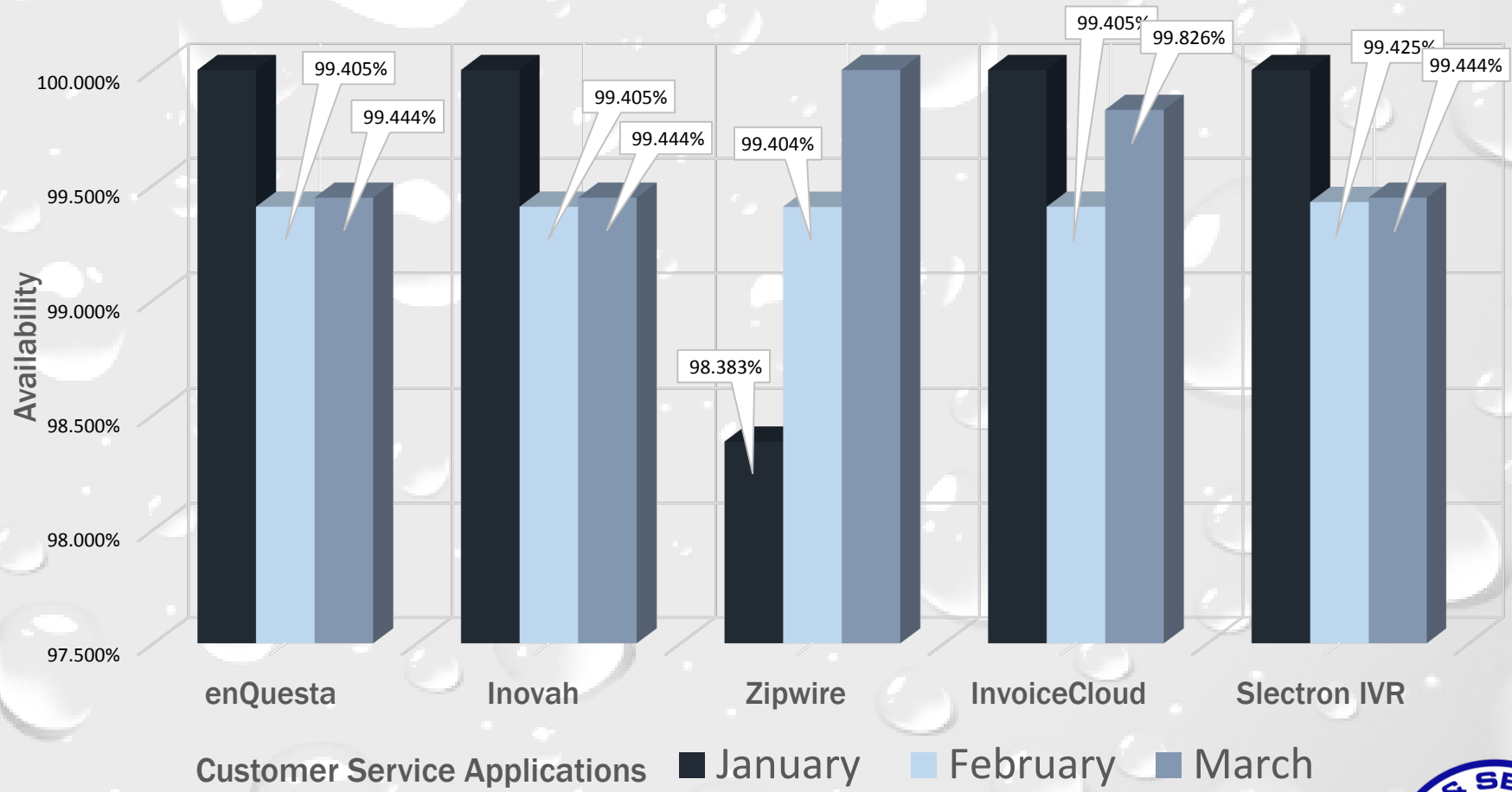
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Information Technology



IT: Software Application Availability for Customer Care, Field Services and Finance



Appendix

