



**Water & Sewerage
Department**

DIRECTOR'S REPORT

April 15, 2020



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DIRECTOR'S MESSAGE TO THE BOARD



- On March 9, the Detroit Water & Sewerage Department (DWSD) Director Gary Brown announced with Mayor Duggan and Governor Gretchen Whitmer the Water Restart Plan to restore water in occupied houses with water off and to prevent pending service interruptions due to the COVID-19 outbreak.
 - Under the jointly-developed plan by the City of Detroit and the State of Michigan, the State will cover customers' costs to restore water service for Detroiters who are currently experiencing or at risk of experiencing a water service interruption due to non-payment; then the eligible Detroiters will be able to keep their water service by paying only \$25 per month.
 - DWSD will defer the accrued balance and the enrolled customers will transition to an existing customer assistance program once the COVID-19 outbreak subsides.
 - Since the Water Restart Plan was announced, more than 1,400 households have benefited.
 - DWSD has 10 crews assigned to the restorations plus licensed plumbers through contracts and a partnership with the Plumbers Union Local 98 – many of the households needed significant private plumbing repairs in order to turn on water.
 - Households identified as *potentially* occupied and with water off in DWSD's system were visited by Detroit-based Human Fliers, which noted occupancy and left a Water Restart Plan door hanger notice.
 - Of the nearly 9,000 houses, 68 percent – nearly 7 in 10 – were abandoned or unoccupied houses; 15 percent were occupied and had water; 12 percent appeared to have occupants who did not answer the door; and 5 percent were confirmed to be occupied and living without water.
- Due to the COVID-19 outbreak and Governor Whitmer's Stay at Home, Stay Safe Order, DWSD temporarily closed Customer Care Centers on March 23 and moved all transactions to remotely by phone, online, mail and kiosk; non-emergency construction work was temporarily halted, including the Capital Improvement Program projects; and there is a mix of staff working in the field to handle water restorations, respond to and prevent water and sewer systems emergencies, and support customer service.





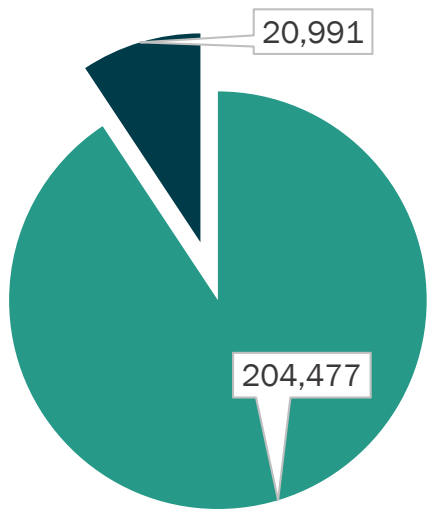
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Customer Care

CUSTOMER CARE: Number of Active Accounts

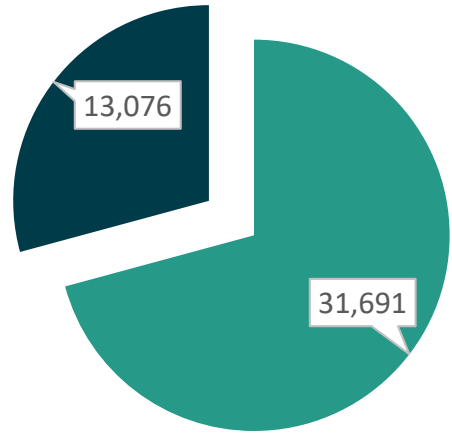


Active Residential Accounts



■ Water/Sewerage/Drainage ■ Drainage Only (no water service)

Active Non-Residential Accounts



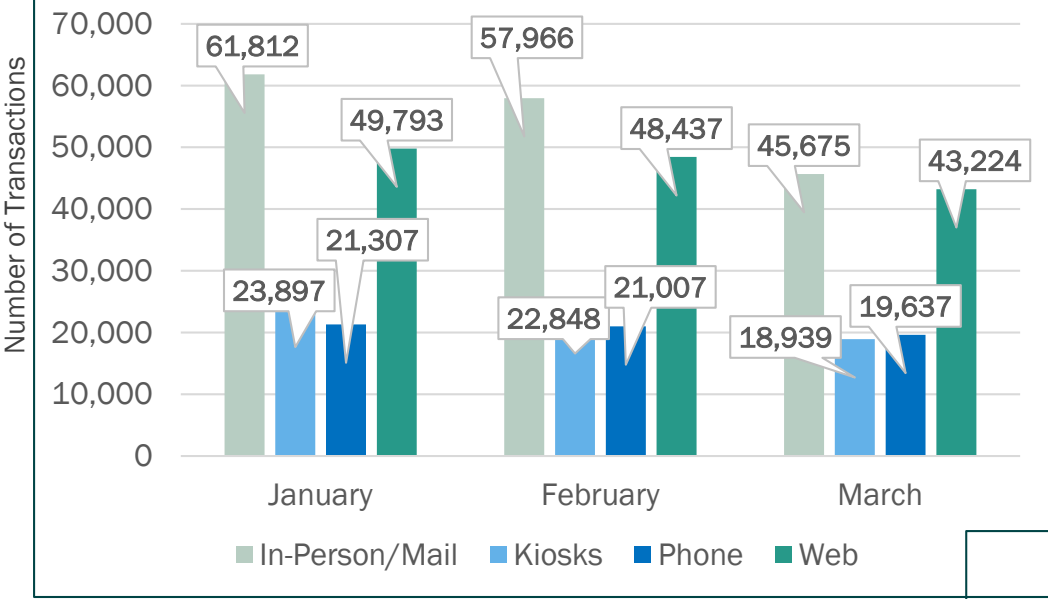
■ Water/Sewerage/Drainage ■ Drainage Only (no water service)

Vacant parcels, parking lots and other properties with no need for water service, receive stormwater charges only (drainage).

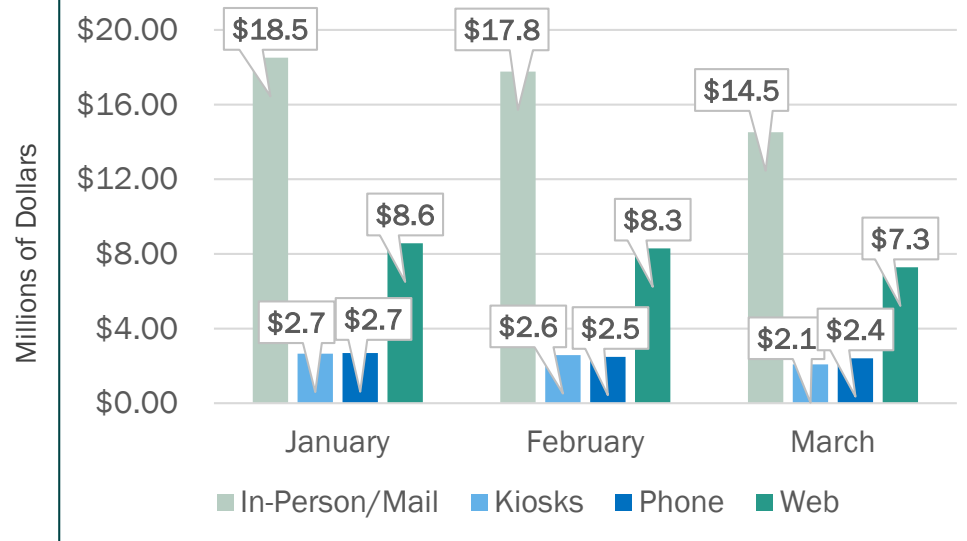
CUSTOMER CARE: Transactions



Payment Transactions by Platform Type



Revenue Collected by Platform Type



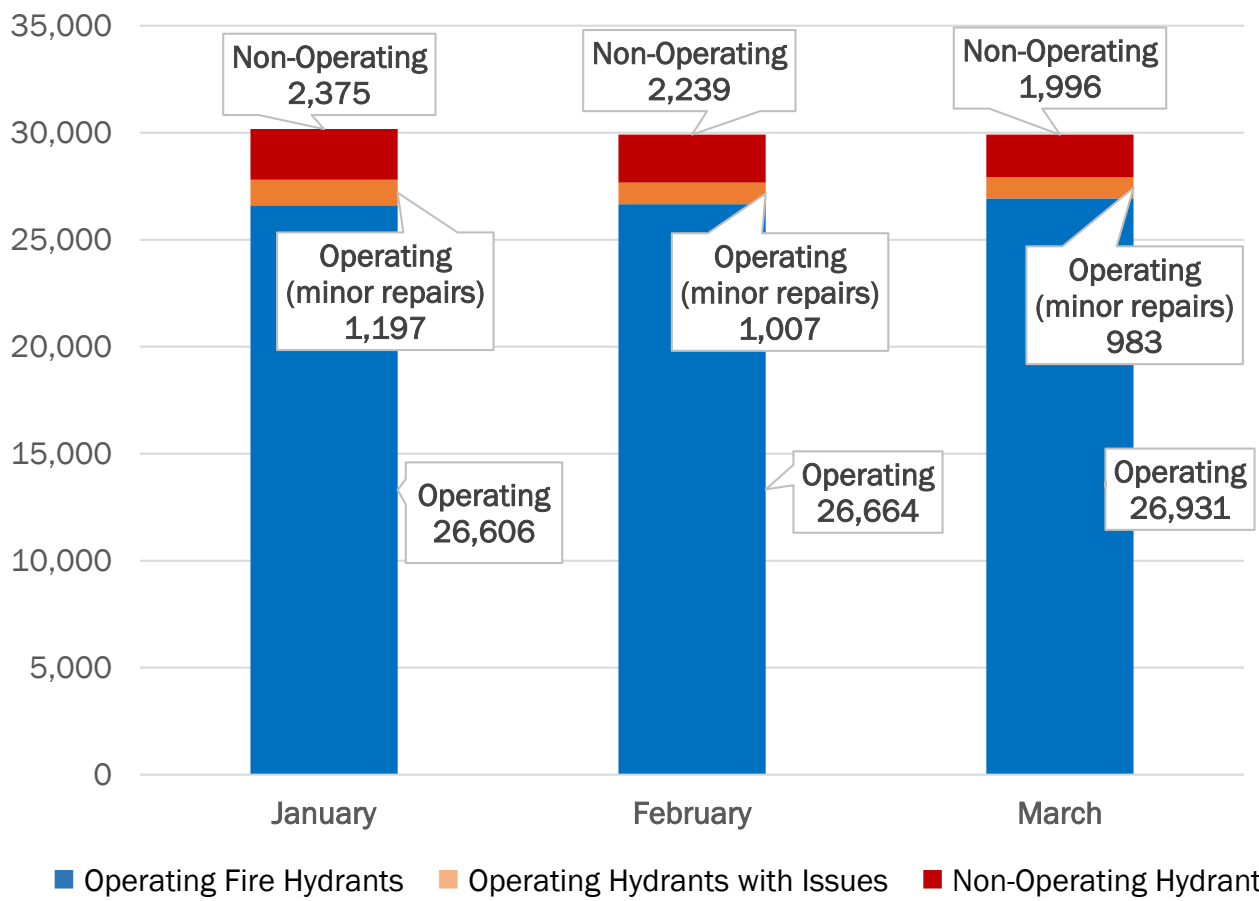
The economic impact of COVID-19 on bill collections begins to appear in March 2020 when some customers suffer job loss, as well as Customer Care Centers and several kiosk locations temporarily close due to Governor Whitmer’s Stay at Home, Stay Safe order.



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Field Services

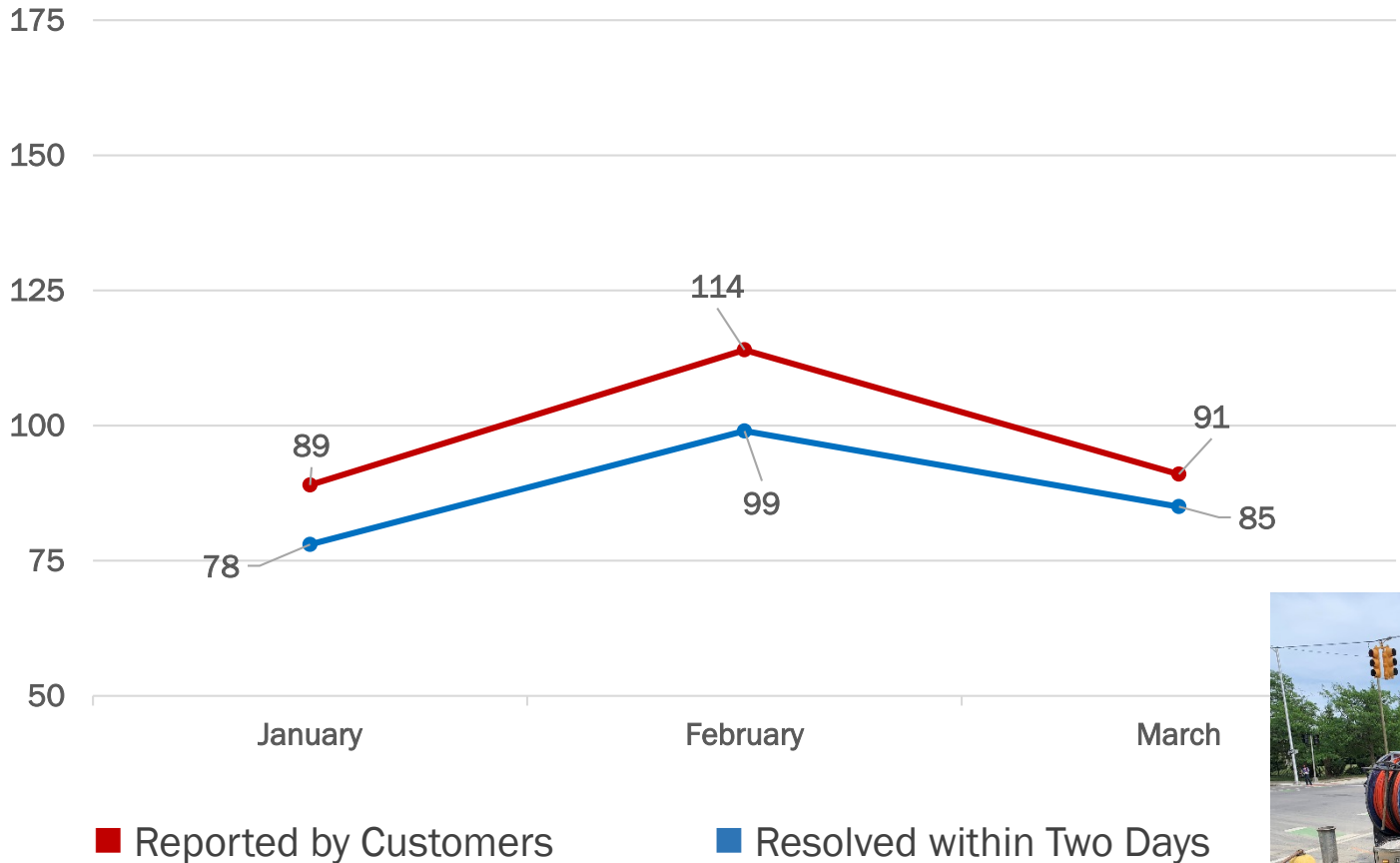
FIELD SERVICES: Fire Hydrant Maintenance



Firefighters are inspecting hydrants, which they do annually during the fall and early winter months. The data transfers to DWSD in order to create work orders, when necessary, to repair or replace hydrants. These inspections result in an increase in work orders for the next few months while firefighters are inspecting and DWSD crews are making repairs.



FIELD SERVICES: Running Water



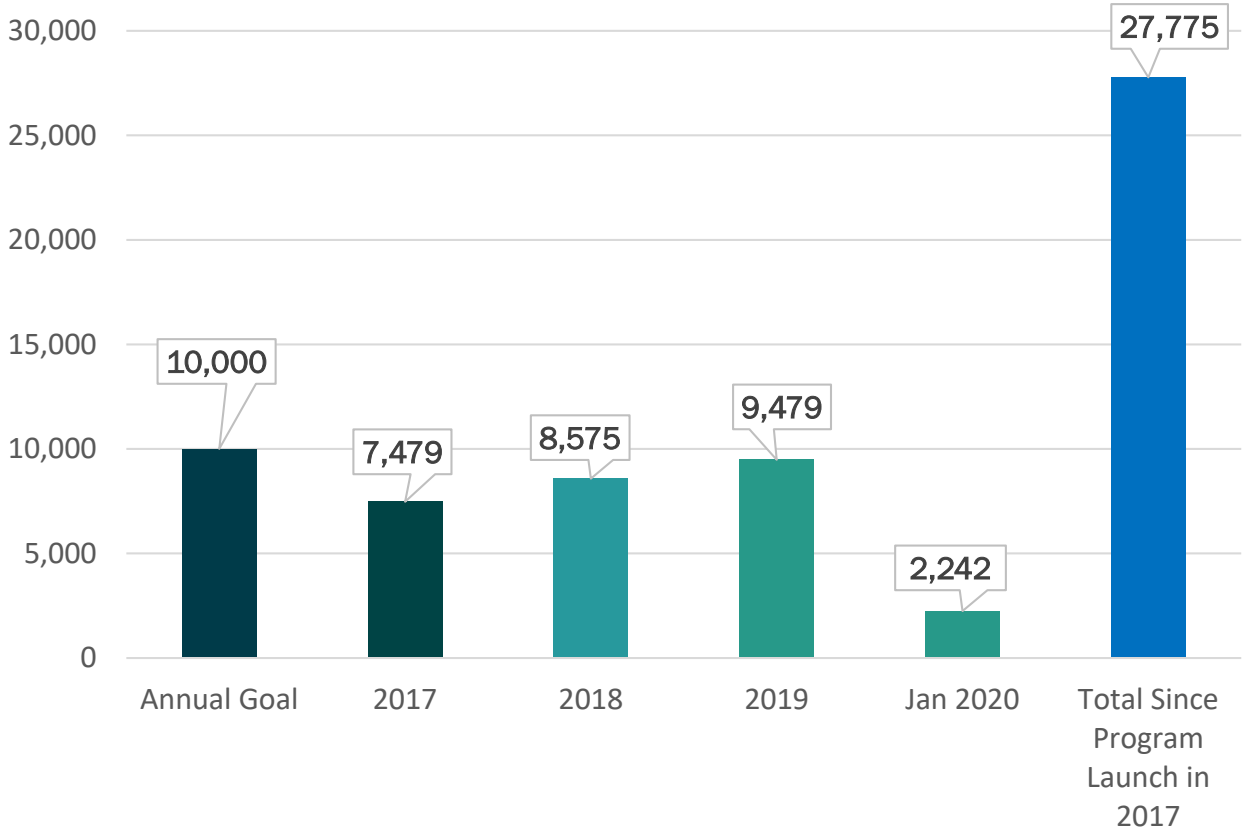
Due to the COVID-19 outbreak, DWSD is prioritizing work orders based on impact to customers. The running water reports have decreased from prior comparable years due to the preventative maintenance programs and the several unseasonably warm days this winter.

FIELD SERVICES: Water Main Breaks



Due to the COVID-19 outbreak, DWS&D is prioritizing work orders based on impact to customers. When there is dramatic change in temperature -- hot or cold -- the ground can shift and cause tension on the pipes potentially resulting in water main breaks. Fortunately this year's winter has been historically warm.

FIELD SERVICES: Catch Basin Inspection & Cleaning



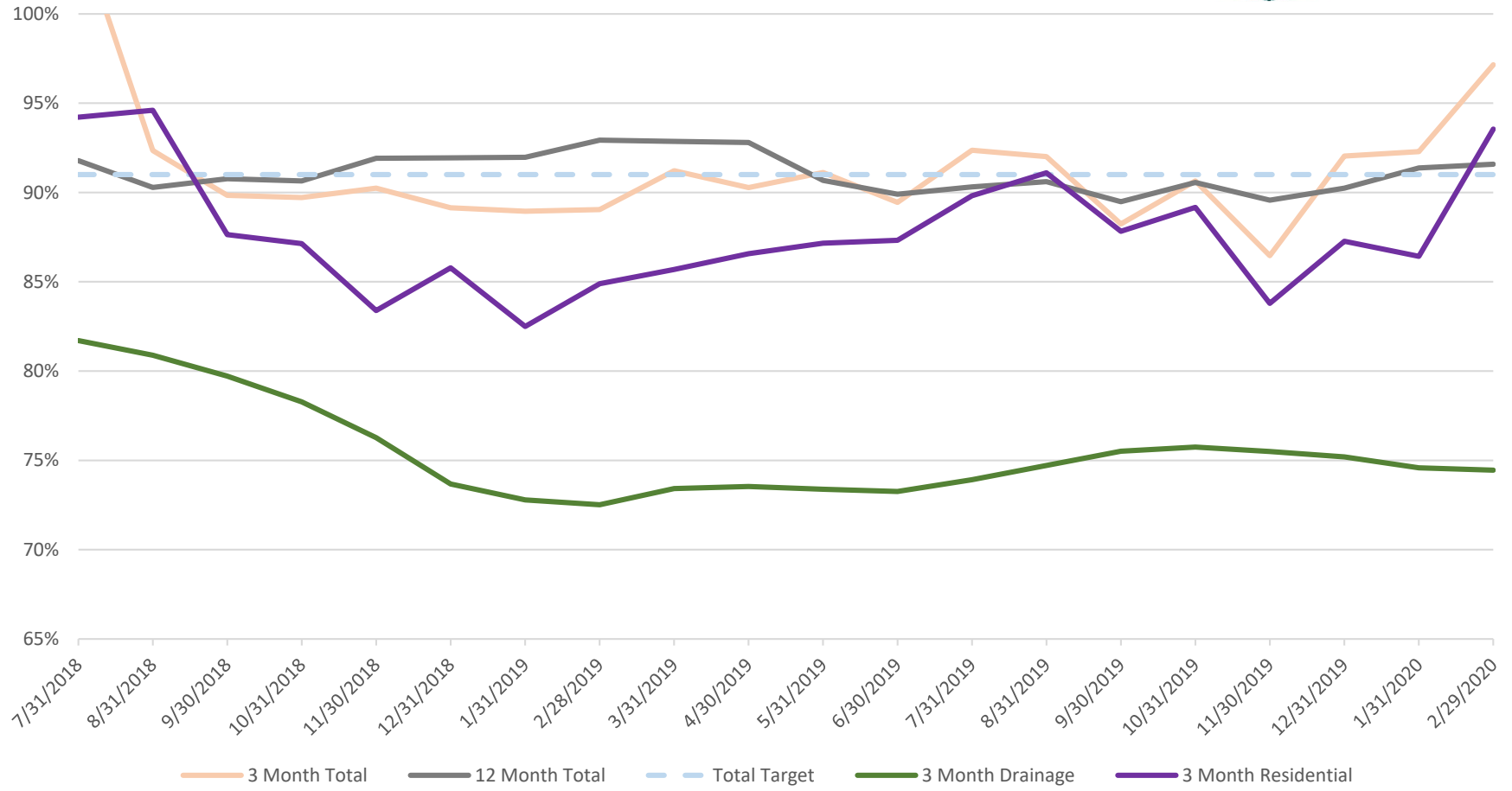
Since the catch basin inspection and cleaning program launched in 2017, crews have touched nearly 28,000 of the estimated 90,000 catch basins. The goal is 30,000 by August 2020 and DWSD is expected to exceed this objective.



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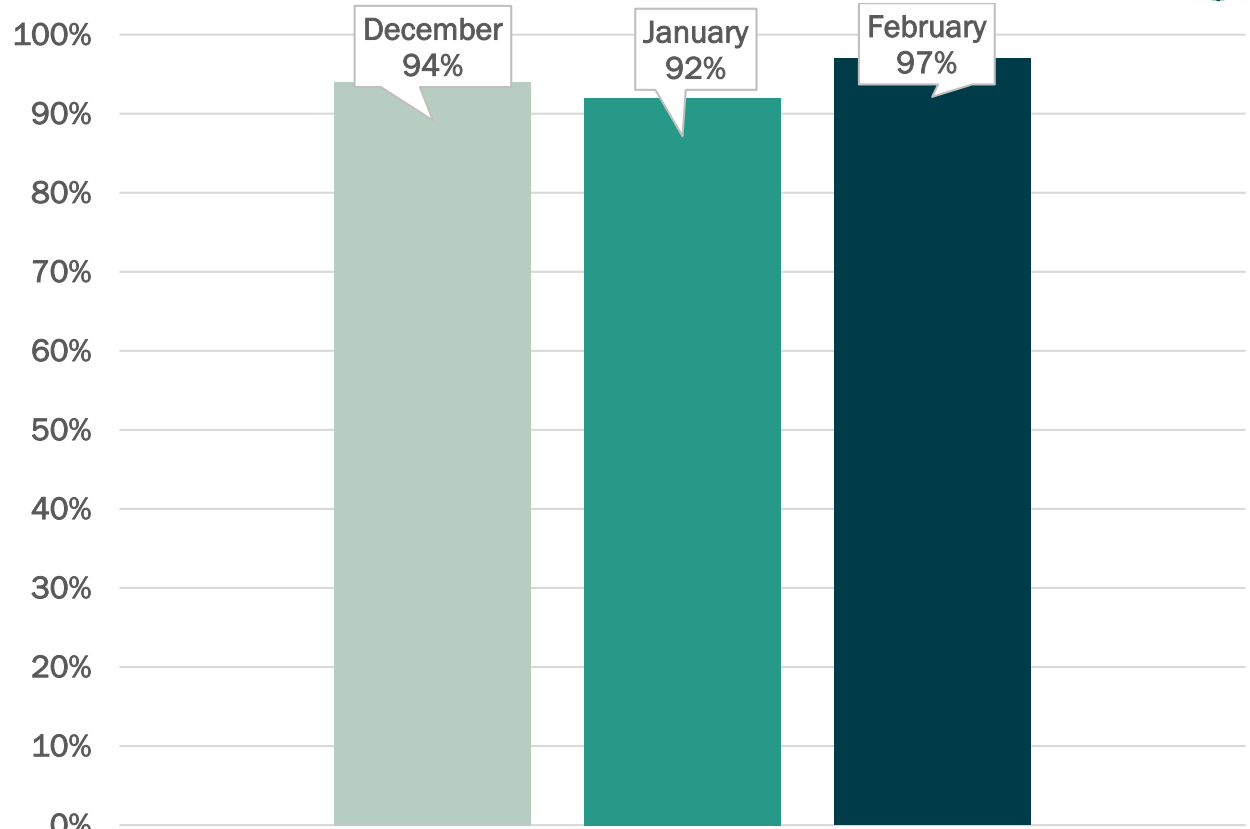
Finance

FINANCE: Bill Collection Rate



During the winter months, the collection rate historically decreases as households choose to pay their heating bills and catch up later with water bills in the spring, even moreso this past winter due to the temperatures falling well below zero for several days. Every percentage increase in the collection rate above 80 percent is an additional \$3.5 million which can be applied to the maintenance of and upgrades to the water and sewer systems.

FINANCE: Bill Collection Rate



3-Month Rolling Average Collection Rate for All Accounts

Prior to 2016 and the bifurcation with the Great Lakes Water Authority, the bill collection rate was 77 percent. Since the current leadership began at DWSD – changing the business practices, improving technology, customer service and outreach – the collection rate has remained above 90 percent the last three years.

FINANCE: Cash Balance



\$77,566,679
Water cash balance as of
February 29, 2020

\$127,208,100
Sewer cash balance as of
February 29, 2020

The operating cash days-on-hand as of February 29, 2020 is 115 days. The target is 120 days.

Due to when the books close after each month and following the reconciliation, the Finance Group data in this section is from two months prior to this report.



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Legal Services

LEGAL: Claims, Hearings and Cases



25
Cases handled by in-house staff

9
Cases handled by outside counsel

1
Lawsuits dismissed

11
Lawsuits dismissed in FY2020

Postponed
Dispute hearings

Postponed
Number of cases DWSD prevailed

N/A
Property damage claims

Postponed
Amount in dispute

Postponed
Credited to customers based on hearing outcomes

Postponed
Owed to DWSD after hearings

Postponed
Amount in property damage claims

Postponed
Amount of total claims recommended to be paid

DWSD uses a mix of in-house and contracted legal counsel to handle damage claims, civil action for commercial delinquencies and lawsuits filed against the department.

Due to the COVID-19 outbreak and Governor Whitmer's Stay at Home, Stay Safe Order, the legal proceedings have been postponed.



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Investigations

INVESTIGATIONS: Results



736
Parcels investigated for delinquency, possible meter tampering and no meter since July 1, 2019



Money Owed to DWSD identified by Investigators

\$3,868,569
Total since July 1, 2019

\$850,172
Back billed

\$2,847,049
Future owed in 12 months

\$171,348
Water loss

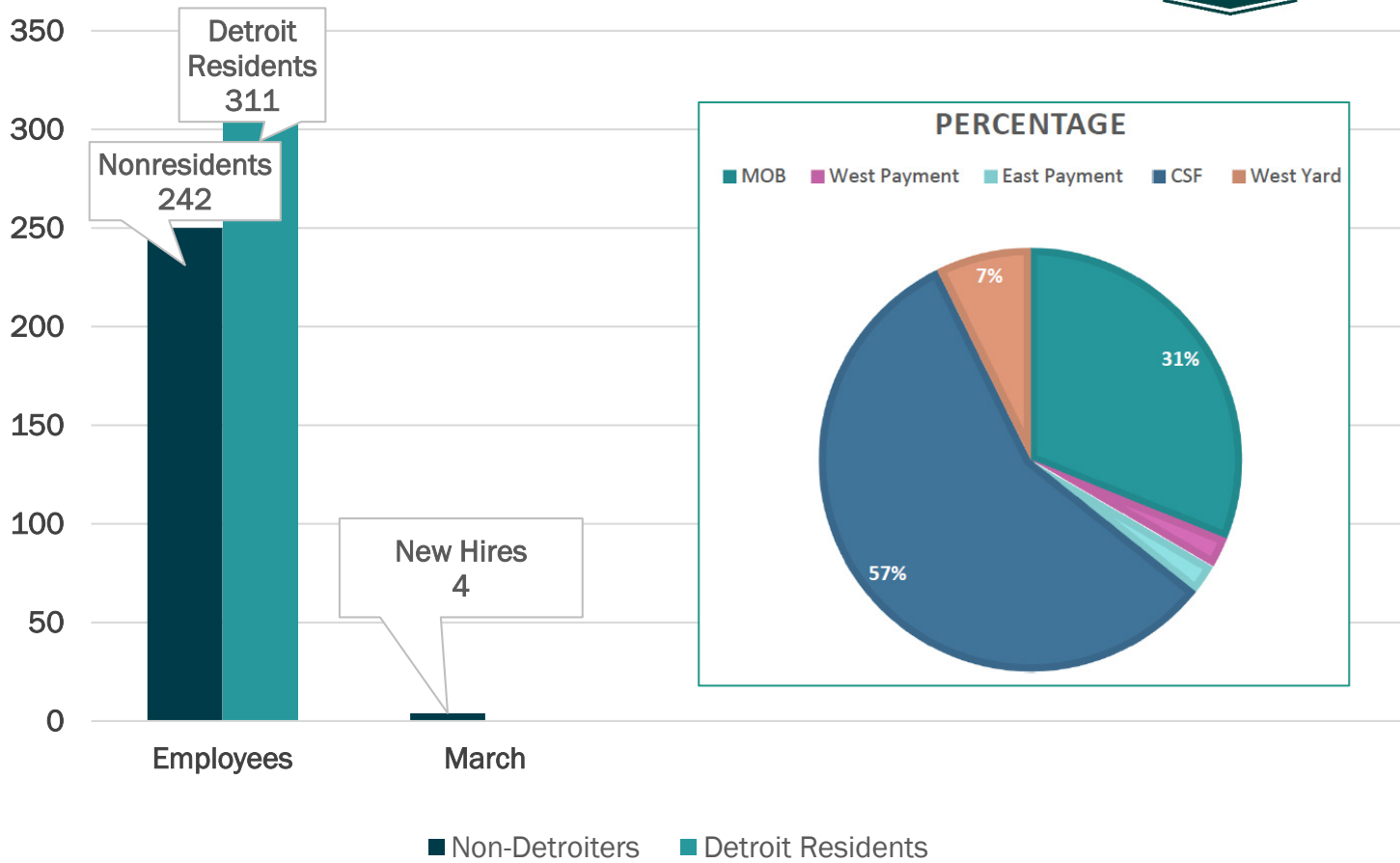
The DWSD Revenue Recovery Unit has postponed most of its in-person investigations due to the Governor’s Stay at Home, Stay Safe Order for the COVID-19 outbreak. Since August 2017, the unit, in collaboration with customer service/billing, has identified more than \$12 million in services owed by primarily commercial customers. They uncover severe delinquencies, non-working meters, unauthorized use of fire hydrants, meter tampering, or connected to the city’s water main without a meter and/or permit. The unit works closely with the collections and legal staff.



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Human Resources

HUMAN RESOURCES: Detroit Residents and Hiring



Fifty-five percent of the DWSD workforce lives in Detroit.*

*DWSD and the City of Detroit do not require residency to be employed, per Michigan law.



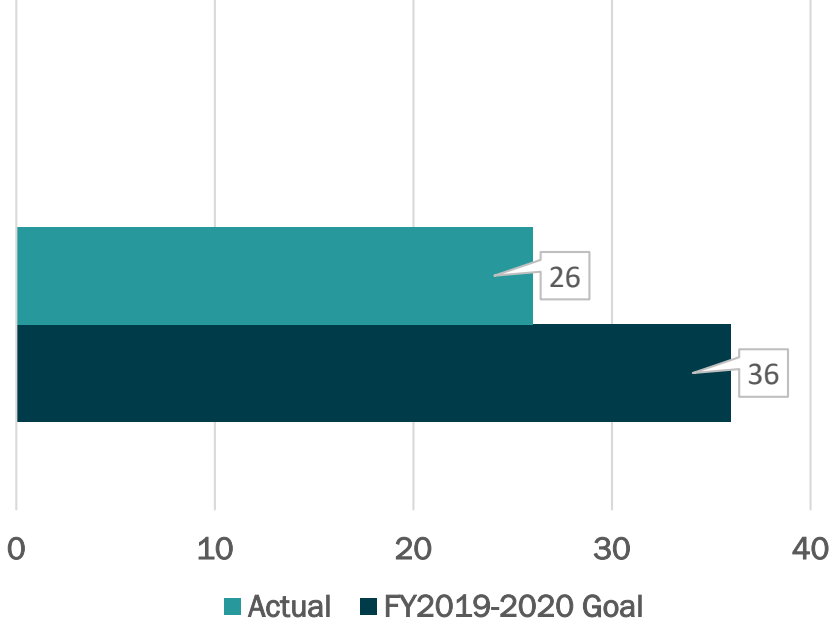
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Public Affairs

PUBLIC AFFAIRS: Good News

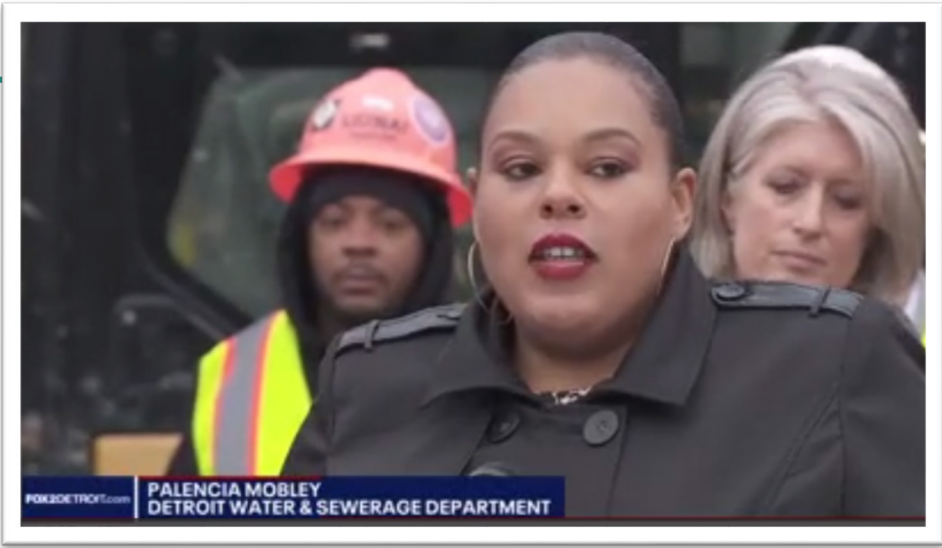


DWSD Good News Media Stories: FY2019-2020



This month, the team garnered **2** positive pitched news stories. The first was announcing the start of two Capital Improvement Program (CIP) projects in both Cornerstone Village and North Rosedale Park. The second was the announcement of the installation of Tiger Dams in the Jefferson Chalmers neighborhood to protect against rising Detroit River levels and reduce basement flooding.

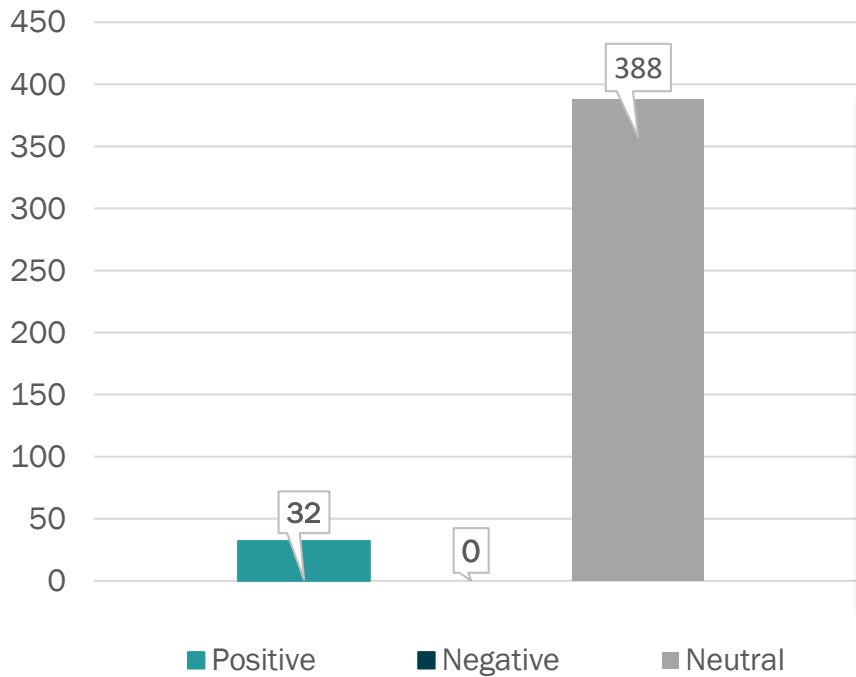
PLEASE NOTE: For this metric, news stories are only counted once per topic, not by the number of media outlets picking up the story.



PUBLIC AFFAIRS: Positive vs. Negative News Stories



DWSD News Coverage: March 1 – March 31, 2020



In March, the DWSD Public Affairs team saw a total of 420 media stories. Majority of all the stories were regarding DWSD’s Water Restart Plan and Coronavirus (COVID-19). On Monday, March 9, the Plan was announced to mitigate any prospective health risks by helping to ensure that all Detroiters have access to water in their homes. The Plan was announced during a press conference with Mayor Duggan and DWSD Director Gary Brown. Of the stories, 14 were broadcast, 361 were print/online and 45 were radio.

PLEASE NOTE: For this metric, each story/interview published or aired is counted.



PUBLIC AFFAIRS: Social Media Activity



174
New Facebook Followers

8,306
Total Followers on Facebook

36,333
Engagement on Facebook



20
New Twitter Followers

1,669
Total Followers on Twitter

460
Engagement on Twitter



13
New Instagram Followers

1,403
Total Followers on Instagram

65
Engagement on Instagram



The DWSD Public Affairs team gained **207** new followers on social media in March 2020, bringing the total number of followers to **36,858**. In addition to the metrics above, Facebook saw a total of 1.07 million impressions and 3,992 link clicks for the month. The top performing post on all social media platforms was the announcement of the COVID-19 Water Restart Plan. The plan was announced on Monday, March 9 with Governor Whitmer, Mayor Duggan and DWSD Director Gary Brown. On Facebook alone, on March 11 there were a total of 10,194 engagements, 1,546 reactions, 215 comments and 2,631 shares.



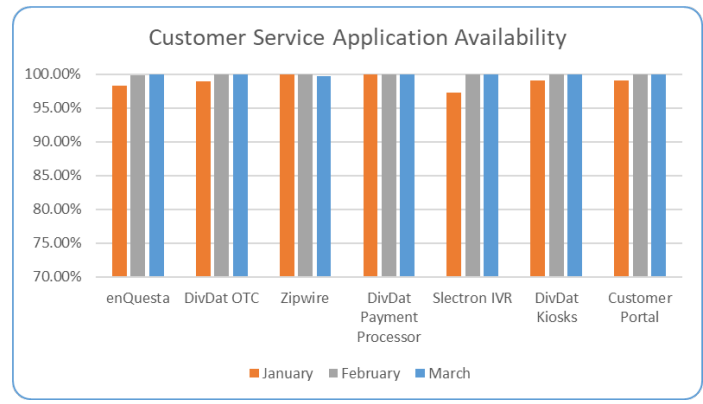
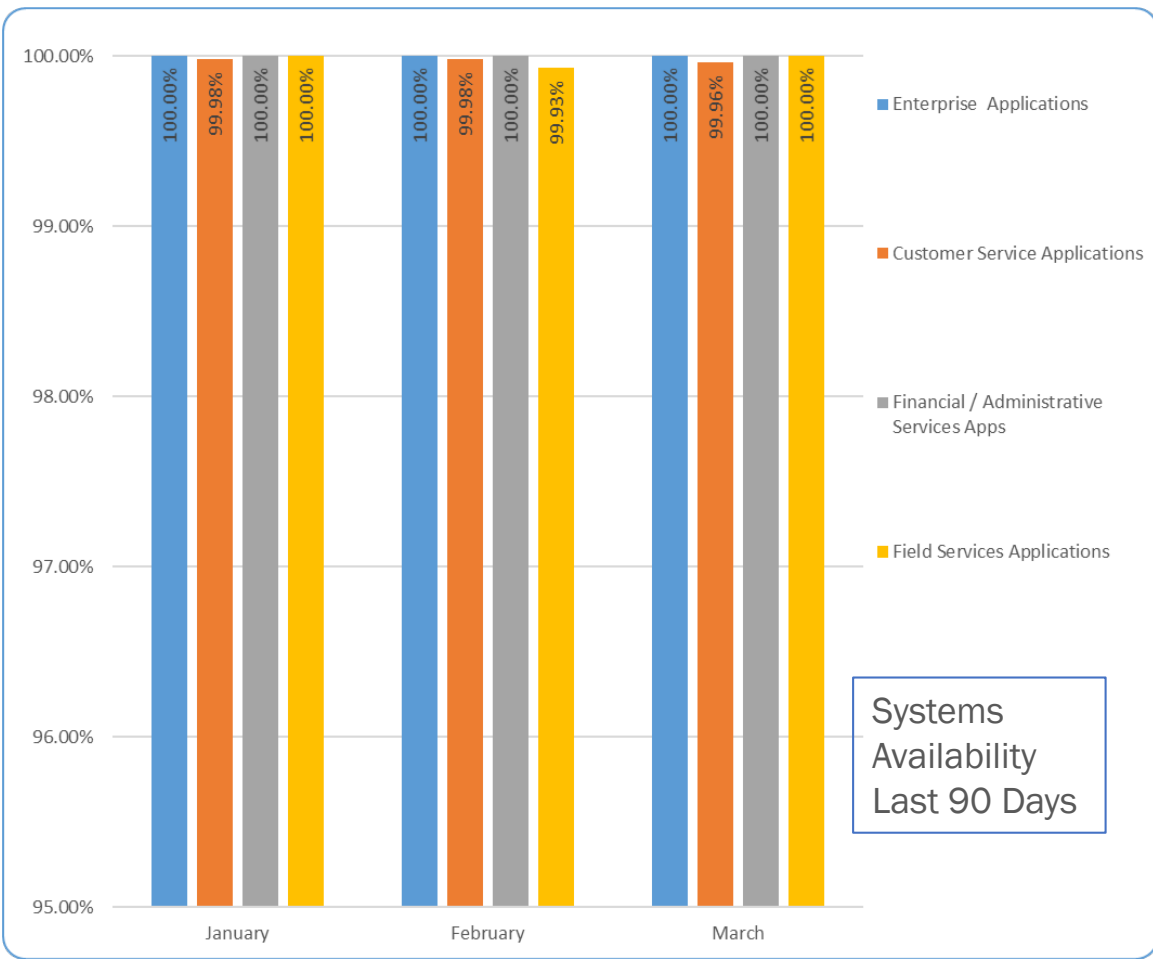
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Information Technology

Technology: Application Availability



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99.99%

MONTHLY AVAILABILITY

99.9% = TARGET

In the Informational Technology (IT) Group, the major projects underway are the transition from Great Lakes Water Authority (GLWA) IT shared services which includes new network, active director, BOX.com, print/fax services, IVR upgrade to the cloud, and GIS (Geographic Information System) to City of Detroit migration; launch of fleet management programs AssetWorks, FleetFocus and FuelFocus; CityWorks to replace WAM work order system; and Customer Care Web Portal phase two.