

Russ Bellant

[Begin sit-down interview:
54:40]

[Tell me about some of the public health risks you've witnessed with the massive shutoffs]

The point that I try to make in every forum that I've spoken to on the history of DWSD for the last 20 some years is that the DWSD is the most important public health agency in MI.

They do more than any hospital or any health clinic or any health department to save lives. Because before you had effective h2O treatment facilities in Detroit, and this is true everywhere, you had 10k people a year dying from water borne diseases in Detroit like cholera. And, Detroit designed and built in response to these problems what was at the time the single largest water treatment plant in the world with a filtration system—not chlorine at this point. In the 1910s, and I think it went on to operation until 1920s, called water works park. It actually had a related beautiful community park as part of the facility until WWII. And it had acres of rapid sand filters that when properly used can trap bacteria—microscopic infectious sources. It didn't completely eliminate the waterborne disease problem until chlorination came in some years later.

[56:54]

And then Detroit basically zeroed out water borne health. That was one of the reasons why many suburbs wanted to hook into the Detroit water system. And were talking about throughout the 20th c. It became a major push in the mid 1950s when western suburbs of Wayne County primarily were having wells run dry, and they couldn't pump water in their city anymore. In the case of Livonia, which kind of distinguishes itself for being anti-Detroit in a variety of issues—transportation as well as water—in the 1950s, Livonia begged Detroit to hook into the water system, and said, we will pay any price, just hook us up, because at the time, their police department was delivering water in milk cans. They couldn't get permits to open schools that they built, housing developments that they built, because they didn't have any water. They didn't have sufficient water pressure or quantities of water to even put out a fire, and that's why they didn't have these permits. So Detroit obliged and started expanding, and what happened, out of that, and Livonia wasn't alone, was that representation from 8 counties in SE Michigan, going up to Lapeer County, and

[58:40]

St. Clair County, Monroe, Washtenaw, as well as Wayne, Oakland, Macomb, came together in a consortium with the health agencies, state and fed health agencies, and business groups, and they did a two year examination of how is water going to be supplied in this region that is going to be safe and reliable and all these things. The decisions that were made in this time and in the mid 1950s and all the parties that were on board with this that Detroit would build the regional system because it had the capital, it had the technology, it had the know-how. Detroit had a world-class civil engineering infrastructure team, they were designing state of the art stuff and they designed and built this regional system. They put the plant up in Port Huron in 1970, they took on the water plant in Allen Park that Wayne County tried to build and couldn't

build because they messed it up. They designed better intake systems, if somebody were to be interested enough to look at what they actually built. It's just incredible stories. They built an intake under the bottom of lake huron

[1:00:21]

And went out five miles under the lake so they wouldn't get shoreline pollution, and then came up, vertically, and punched a hole in the bottom of lake Huron 16 feet in diameter so that water could flow into the lake huron plant and be sent into the northern suburbs of Detroit.

And

[So they paved the way for suburbs to exist.]

That's right, and when this discussion first started, a guy named Linhart was running the water department, and he was opposed to expanding the Detroit water department and he said, "if we expand it then they'll want to control it and all we're doing is aiding and abetting the growth of the suburbs at the expense of the city, and why would we want to do that. The mayor and the business groups wanted to go a different direction, so they fired him and brought a different guy on board.

[1:01:20]

[Can you tell me the name of this mayor—which mayor?]

This, it was Cobo.

[Ohhh. It was Cobo.]

Albert Cobo who was later convicted of crimes in the 1950s. I believe it was Cobo. I can double check that. I've written this in a history by the way. It's available, I can send it to you.

I gave this testimony to the legislature when they were trying to take over the water department.

[when?]

2001.

maybe we can get to that. [I would love to read it]

The regional control issues is very much part of why this water is getting shutoff.

[lets keep going through this history you are telling me about.]

When Lenhardt predicted that as soon as we build a regional system, the suburbs will want to take it over, in 1970. Detroit started Lake Huron plant construction project, which resulted in online plant operations in 1973, in 1965 they took over the..the failed water plant project of Wayne County. They brought that plant online and integrated it into the Detroit system. By 1970, while all this work was still going on, a series of suburbs

formed a political action group to take over the Detroit Water Department. In 1970. It started in 1970. And efforts were going on from time to time since then. In 1993, Oakland County Drain Commissioner George Kuhn pushed very hard to get a bill, which became senate bill 85, through the legislature and signed by the governor, because republicans controlled both chambers, and Oakland county was a more republican county then than it is now, and so, that's when I really became directly engaged in the issue. They were counting on the ignorance of the legislative staff and elected officials about the DWSD and stigmatize it as having elements of corrupt this and corrupt that, and here's how they're ripping the suburbs out, and all the stuff they put out was bogus. And they put it out in writing, in a booklet like it was some authoritative report, and it was just garbage, and if you didn't know the water system-and lets face it who would know the water system if they're not working it

[FIND THIS BOOKLET!!]

[And this was in '93?]

[Maybe i could get a hold of that report—what was it]

You'd have to get it from me.

In 95, they did the same thing, 97, 99, 2000, 2001. They looked

[1:05:50]

In 95, 97, the governor was ready to sign a bill, and the fed judge who was overseeing the system told the governor if you sign the bill I'll say its unconstitutional because it violates this language of the Michigan constitution.

[What is that particular language?]

It basically..I don't remember the chapter and verse, it's been 20 years. It allows the local units of government to develop their own utilities, and gives control of those utilities to the local units. And, the constitution didn't give any regulatory or other oversight to the state of these utilities. There was precedent in this, in 1866, the state tried to take over the DWD and they tried to seize the books, and the wd at this time is only two decades old, and the BOWC took the books and all the records and locked them up and wouldn't give them to the state, and they prevailed in supreme court, and supreme court said the state had no business taking over.

[that's a really great precedent for the emergency management case, because in the hearing of pa 436, one of the arguments of snyder's team is that local governments are not sovereign. That seems relevant.]

It would, but they would come back and say that was under the old constitution when that decision was made.in 1909, we had a new state constitution and then in 1963 we had a new state constitution.

[1:08:11]

I don't know how much its relevant, but it would be useful to look at

[to see if that particular amendment is still there.]

I've mentioned it to ..I don't know the name of the case. I'm sure it's not hard to find. In any rate, the legislature, having been sent back, they authorized the BOWC to issue bonds and start doing wider scopes of construction, and then after that the WD grew. in 1900, thats the first year Detroit started sending water beyond its borders—as far as borders that are currently recognized, to the city of River Rouge. But even before then, in the 1800s, there were parts, areas not yet annexed that were getting water from Detroit—Springwells. You think of SW Detroit, but it was on the East side.

But, they were sending water over there. And the legislature in order to protect the WD banned industrial construction from Belle Isle 6 miles north, that's why you see all those buildings there. You have the Good Year Tire Plant right at the Belle Isle entrance—and then you go south of there, and you have foundries, cement silos, all sorts of industrial activity. You go to the other side of the belle isle bridge and there's none of that. It's because of a law in 1860s, and that was done because Detroit put an intake up there and they didn't want the pollution going into the intake downtown that was at the foot of orleans street because

[1:10:23]

obviously it was health problems.

[we were more evolved then than we are there, essentially.]

You'd think so.

That intake i believe, the dome of it still sits in the Detroit river today, and can still be seen .But it was superseded in the 1930s by an intake that's—that doesn't sit in the water way of the city, sits in a coastline, the intake's actually go 200 ft below ground, and go under the river, and then come back up on the detroit side, on the shore side, so its a giant u-tube, a quarter mile down horizontally, and 200 ft below into the bedrock of the city. That's where the freshwater intake is now. It's in a cove area, where its out of the waterways where the boats don't travel. When boats and freighters come through they stir up the water with the propellors and it becomes mucky.

[wo whats the benefit of having the new u-shaped intake as opposed to what they have before?]

It allowed better control of the water quality going in because it was relocated in the Place where you were not getting turbulent water, and dirtier water. The one built in 1930. So, like I said, there is a lot of civil engineering trying to design a sounder system, and when they brought it ashore, this is what fed the new water plant, the water works

plant

[1:12:34]

The water works park that was built in 1920s and went online. And with those massive beds of filtration they could see what—how improving the intake water quality would improve the eventual output. And by the way it took it further away from the shore, where, because back then you had sewerage discharges going into the Detroit river, not just SW Detroit, but coming out of Macomb County, so you didn't just have sewage issues, you had water quality issues going on for a long time.

[1:13:17]

[This is a lot of information..this is important for people to know..]

So maybe I should bring it back up to date.

[Lets talk about the 2001..]

Ok. In 2001, the city of Warren and some other Macomb Cty politicians joined with Oakland County to take the WD from the city of Detroit. And, they used a familiar litany of bogus arguments. They also tried to convince the public that this was a righteous campaign because Detroit was overcharging the suburbs for water and in ripping the suburbs off to subsidize Detroit. They talked about all the high rates people were paying and so forth. But Detroit had been running annual ads in the Free Press, on water rates, and showed what Detroit was charging suburban communities, and what the suburban communities were charging their residents. Because we sell wholesale to the suburbs. We don't sell directly to the residents, and the suburbs distribute in the water mains they own under their streets, and bill those customers.

So they..so what the suburbs do is they add the wholesale purchase charges, then the cost of maintaining their street mains, and the cost of the billing, the cost of any bonds for local water projects and that's supposed to be their water bill. Well, we found suburbs that were marking up anywhere from 100 to 400 percent. Now, consider this. We take the water out of the Detroit river, we transfer it, we filter it, we chlorinate it, we fluoridate it, and we pump it and it goes through multistage processes that involve acres and acres of industrial type

[1:15:48]

equipment—were talking about motors driving this that are 100s of horsepower, there's a lot of costs involved in that, just the electric bill for one plant would be 5 million a year. You know, those were the actual costs that detroit was charging its own residents and the suburbs. And they would take it, and we pressurized it. All they would do is fix the street mains, and send the bills, and they were doubling to quintupling the charges. And these are cities that are outright on the Detroit border that don't have to boost the pressure or do anything special. Even if you are 20 miles out, Detroit boosts the pressure so you don't have to pay for that either.

[So that was—that double to quadruple mark up—what in comparison does Detroit—like how, is there a way to compare a number for what Detroit marks up their water for their

service?]

I can't remember if those were in the ads, but Detroit retains a separate retail fund that was audited by outside auditors, so that the costs of the retain fund were the cost of maintaining the Detroit water mains. And doing the billings and so forth. That was audited. As I labored to point out as Warren got involved, is that first of all, Detroit has external auditors that report on its freshwater fund, its retain fund, and its wastewater fund, which are separate components of the

[[1:17:45]

Water Dept. They're organizationally separate and financially separate. And the City of Warren doesn't have any audit. If you go to the public officials or you go to the library and try to get info on Warren's water operations, you can't get any, except a few line items in the budget, and those line items don't give explanation. So I suggested that citizens in Warren might want to look at where those excess funds are going for the overcharges. Or go to Eastpointe. Eastpointe was charging 400 percent more than Detroit was charging to their customers. It suggested possibly unlawful slush fund of money, and this was going on in many of the suburbs. When Eastpointe, and St Clair Shores and Warren said they were gonna put money into studying how we could build our own water system, it never went anywhere, it was another slush contract. Warren had so much corruption going on at the time, it would be a diversion to talk about it, but you know, really, what they wanted was to control the utility because they wanted to be able to control the contracts for this huge water conglomerate. So we were able to

[1:19:18]

Argue a lot of this down and raise the issues in the way that a lot of people who didn't have an interest in out state area could see through it, because going back to 1993 legislation, I would just take time off work, and I would set up appointments with everyone who was on the committee investigating this and with republican legislators in the outstate areas who didn't have any interest in it one way or another, and I would go through the legislation and I would go through all the claims and I would say look, this is what they're proposing, these are what the issues are, these are what the facts are and I would tell them who I was and they would look at it and after doing that, these other legislators wouldn't even come to the committee hearing anymore. They just lost interest in this bill. That was in 93. Now today, they have a different mindset. Today they are just like "gouge Detroit by hook or crook."

[the bankruptcy is a great leveraging tool for a number of different thefts.]

it's legally questionable, it's..Michigan Constitution doesn't allow the legislature to take the water department from Detroit Bankruptcy is being used to bypass the constitution on the pensions, to bypass the constitution on the control of the water dept and bypass the constitution in a number of areas where they're expropriating Detroit property where they would otherwise steal. And, so, the DWSD is the big prize in this, and they're trying to create a system of where they can give it to the suburbs but in order to get he bankruptcy court to agree to it legally, they have to show where Detroit benefits financially by giving it to the suburbs, and that's where the debate is because the suburbs don't want to financially benefit Detroit—they want control but without helping

detroit. Then the governor says “ok we won’t give it to the suburbs, we’ll privatize it. And the private company will pay detroit 40 million for x number of years, which is nothing, and then we’ll see the water rates balloon even more. But, I felt, back in 01 that it became more important to do research on the history of this system and its public value, because even back then when I was doing my research, the national data showed at least 1000 deaths a year in the US from waterborne diseases because there are still backwards facilities in this country. In the mid 1990s, there were 400 people in Milwaukee who died from water borne diseases

[1:22:45]

called cryptosporidian which was a unique thing—you can’t kill it with chlorine, its a special organism. So Detroit built a state of the art plant on the river—the water works plant that they built in the 1920s, and they rebuilt it with different treatment systems so that cryptosporidian could never come to Detroit, [ADD TO TIMELINE] and the plan was to upgrade the other water plants too, but the politics and the costs became prohibitive. But Detroit built a model plant that people came from all over the US to look at. I remember people coming from AZ to look at this plant. Just marveling at what Detroit had done. You wouldn’t know it by reading the press or the testimony in the legislature.

[and this was—say the year]

It was in the mid 1990s when it was built, I don’t remember what year the contract started.

[Is it still around?]

Oh yeah, it’s operating right now!

But it has at least the technology to deal with more advanced forms of water borne diseases and more advanced treatment technologies.

At any rate, you wouldn’t expect anyone to know about it because the media—as the debates went on over time, every couple years, the media seemed only to be reporting it from the point of view of Oakland County and

[Who owns all the newspapers?]

That’s the financial base of the publishing side of the business. And at that time, to get people to remember, I found that when I did this story in 2001, nobody remembered about how the suburbs asked detroit—every suburb who gets water from Detroit does it on a contract basis — the community signs a contract, and the rates are done every year based on an engineering formula

[1:25:21]

That was done after a two year design program in the early 80s. All the counties were involved in this—oakland, Macomb, Genesee, Wayne, were involved in a design project where they were gonna study

Water distribution costs, and factors such as elevation. and distance from the water plant and factor that into the rates to charge the community. And everybody agreed with that, and they put it in place, and that’s been used ever since.

[1:26:02]

[So there was genuine cooperation between the surrounding suburbs and the city?..]

Right, this was promised to be a data driven rate calculation system, so it would mean over the years, some communities would have their rates lessened and some others would increase more. Let me give an example of what would be a factor. I said elevation. If you take the city of Pontiac that stands 300 feet above the center line of the Detroit plants [it costs a lot more to pump it out there]

as a result, so if you can imagine taking 300 million gallons a day and elevating it 300 feet, not even talking about horizontal, just talking about raising it up 300 feet and deliver it at the high pressure that's needed, you'd have to have booster stations along the way to keep the pressure up—all those are costs. Detroit residents shouldn't pay for that and Macomb County residents shouldn't pay for that.

[1:27:04]

That's a cost because of the geography of where they are—as you go into the higher elevations of Oakland County, you pay those costs—the distance and the elevation costs—those were two of the 15 factors that were in the engineering rate study.

And so, you know, every year when that formula would be applied, you'd still hear the complaints about that. Now I'll say this—most of the communities didn't complain because they felt that all their questions were answered and it was dealt with fairly. But the ones that were political—for a period of time, Warren, not Warren in the last recent number of years, but a decade ago, or Oakland City in the legislature and drain commissioners office—John McCollough, not the current drain commissioner—John McCollough and Kuhn before him, and Jack Kirksey when he was mayor of Livonia, and other people who—these people who are just unethical opportunists wouldn't acknowledge the fact, and Livonia would complain, saying water wasn't delivered at the agreed upon pressure and that

[1:28:22]

and stuff like that, and Detroit would hook up a recording device and test the pressures and run it for a week, and they'd do it internally to see if Livonia was telling the truth or not, and it was delivered at the pressure it was supposed to be but they would make up these stories about the service not being what was promised, so they wouldn't have to pay as much.

[just to give credit to Detroit's side, how—it sounds like at that point it might have been Livonia's word against Detroit's word.]

Detroit did the data gathering, if there ever was a fight

[Did they have an independent contractor collect the data?]

They had internal staff—pedometer technicians is what they're called—they go up and hook up systems and measure flow—independent of standard meters that are there for that purpose [got it, they test the meters up against the human generated]

To create a second basis of data. Because all the metering devices we have—there's what's called master meters for each community, sometimes multiple master meters. On every water

main that supplies Livonia they'll be a master meter—so the data from the master meter was showing normal...

[so they were lying, basically, livonia lied..]

It seems so.

[1:30:33]

And, They would do that so they could tell our citizens we've complained to detroit about this or that and take responsibility off themselves. One of the points I guess I want to get back to is that when you have a policy where you know you're gonna shut off water today, and 1500 to 3000 homes a week and you do that for weeks and weeks and weeks you're basically denying the public health service of a fresh water system and a wastewater collection system. Because people can't maintain the sanitary standards in their homes if they don't have clean water. You can't get rid of sewerage properly. You can't bathe, and you can't have freshwater for cooking. You can buy bottled water, you can buy it in bulk, which is a huge waste of money, but because their prices. Detroit charges less than a penny for the water that is in a plastic bottle. That they sell for 90 cents or whatever. But that water doesn't meet the standards of treatment and cleanliness that DWSD maintains. Detroit has built a system that has exceptional standards for testing . They have chemists. They don't just train an operator to do it. They hire chemists and they run all sorts of side tests on the water. They're running tests continuously 7 days a week, 365 days a year. They test at all sites from the intake to the water distribution system.

And years ago one of the the TV stations had accompanied tests—they bought a variety of bottled water—and they found 1/3 of them had bacteria in them.

And..what you're doing by denying—and shutting off those homes—and when you say those homes you're talking about multiple occupants in most cases—you're talking about 100000 people without fresh water sources, thats a public health risk.

[1:33:55]

[So, buying bottled water from the store when you don't have water is like any other form of predatory lending or buying on layaway, or rentacenter furniture. It's another way to tax the poor.]

It's a way of forcing people onto the commercial market and getting them away from the community asset.

[Can you elaborate on that?]

By shutting water off, and by forcing people to buy water in bulk, in drinking water and gallons, it forces them to go on the for profit market and pay rates 100 times higher if than they would pay if it were delivered to their home by a community built asset.

[given the history of disinvestment, and where the population stands now, and i don't know if you agree with this or not, but the too-large infrastructure for the people that are

going to stay in the city, what do you think is the best way forward for the dwsd? And maybe a lot of the solvency issues have to do with debt, but lets have you...]

First of all, I think to the degree that dwsd was involved by the federal court

[1:35:44]

fraudulent financial transactions and debt issues that the bankruptcy court has found highly problematic, and many experts have said that money should be forfeited by these financial institutions because they were done in a criminal manner, Detroit Water Dept should be trying to recover those funds, instead of paying these exorbitant finance and repayment costs to these criminal institutions. We're talking about institutions that have paid billions of dollars in fines for these activities—even though they haven't gone to jail some of them should have. The principals of the corporations. That's one thing, And I think I would also say that in cases where there should be a serious performance audit of all the major contracts that have been let to see if the results have been delivered that were promised by the contractors. In some cases, it appeared that the court and the court played a very direct supervisory role to the point where the city government was shut out in the early 2000s. Contracts were being let the city council didn't even have any involvement in. They were only being approved by the court.

[1:37:29]

[by the district court?]

US District court. Under Judge John Feikens. And Later Sean Cox. Although this is really the Feikens era I'm talking about. These contracts had the effect of bringing in contractors from Oakland and Macomb county, bringing—kind of creating contractual regional system, even though the control was still city of Detroit, the court was running it in the way that Detroit wasn't fully running DWSD either. This has gone on for a decade. That is where you are going to find a huge explosion in costs. The popular image is the Bobby Ferguson contracts, and those were true, and those were all approved by the courts, and in some cases city council as well, but the 150 million for meter contracts—that was done through the courts.

[can you say more about how that power got shifted from the city council to the courts, and can you also say what the bobby ferguson contracts were]

in 1977, the EPA sued the city of Detroit for wrongful, unhealthy, contaminating discharges into the Detroit river. Raw sewerage was being dumped into the river, and ordered the city to begin rectifying the problem. The suit was under a federal judge named John Feikens. This judge had oversight over the responsibilities, and could issue orders to the city to bring compliance about. And that went on for a number of years. When Coleman Young was Mayor, he appointed the mayor as the master over the case, that gave the mayor more powers than the city charter granted for improving the wastewater treatment system. And he did the same thing with Dennis Archer—not immediately, but during Dennis Archer's term as mayor, from 93-2001. In that period. When Kwame was elected, Judge Feikens asserted that—he didn't supervise the discharge permit—that's really what he was supposed to do. was the discharge permit being violated? IN other words are we polluting the river, or is it in compliance. And if it wasn't in compliance, he was to order remedies. But he said in 2002, he was taking over the whole water department, including the freshwater system that had nothing to do with the discharge permits. So he could control all the contracts. So he and Kwame had this working relationship and they separated out the rest of the city government.

And, the judge started going along with all these abuses, and the judge is the one who hired Victor Mercado to run the water department. The judge contacted a senior judge in Chicago and said he was looking for a headhunter firm to help him recruit someone to run DWSD.

[1:41:27]

And that firm recommended of all people, Victor Mercado who never ran a water department of any size whatsoever. He had nothing along the scope of it, which made him ideal for being able to be controlled by other people. He became a court employee, never worked for the city, and to this day, when they sentenced him, they — the media allows the mischaracterization that he was a city employee when he, in fact, he was working under the judge, not the mayor.

[tell me who victor mercado is]

He was nominally the water department director, who was an employee of the federal court, who arranged for many of these contracts, that the judge wanted, and the mayor wanted. And as I said, the city council was out of the picture on these things.

[what did victor mercado do?]

Victor Mercado was eventually indicted for his unlawful contracting—work on contracts, but again, nobody mentioned he was doing it under the orders of the judge, they acted like he was doing it under the orders of the mayor.

[can you give an example of one of the unlawful contracts he executed?]

The Bobby Ferguson contracts—those contracts were for a variety of things—doing water mains, related street and sidewalk repairs from work done by DSD, but Mercado has maintained that he had no choice but to do what the mayor said.

[1:43:41]

Not only did he have a choice, I saw him on the phone up in Lansing, calling the mayor and complaining to the mayor about things that were happening that he didn't like. He didn't talk like he was a servile employee of the mayor. He talked like he didn't like this. So he..he was a fixture for the judge and the mayor both

[I want to know 2 things—and they are contradictory. 1. I want to give credit to a water department who is operating under city council—I know they're operating under EM but before they are operating under EM they were back under city council, right?]
yeah.

[how were they finally turned back to city council? was it because of the indictment?]

They were under city council because the judge decided to let the city council make some decisions. But the federal judge continued to control the water department even when Sean Cox took over and he restructured the board so he put his own person in charge of DWSD.

[sue McCormick?]

SM came in as the director in this period, but also the chair of the BOWC and any set rules and conditions. City officials never had full control. And then you had the consent agreement that came in in 2012 in which the officers under the consent agreement effectively controlled all city operations, even though it was supposed to be joint, they set conditions and the government gave orders—you will approve this contract, you will approve this contract. You will hire this law firm and give them a 20 million \$ contract. We don't call that corruption if the governor does it, only when the mayor does it. And, so, and city tax payers pay for governor's hand chosen attorneys, and those attorneys work to get those funds into the governor's emergency manager control

[what were the conditions of the initial sewage/EPA suit? Was it actually, was DWSD at fault?]

I believe they were. The tx system wasn't built to do the multi stage levels of treatment that were required. When, in 1977, the sewage tx plant was built in 1940. In 1977, mayor young had only been mayor 4 years of the 37 year life of the plant, and they hadn't built the more advanced treatment systems, compared to the volume that was needed. Detroit also had problems that was not of its own making—you had all sorts of illegal dumping of toxic materials and dumping

[1:47:30]

into the system by corporations that wouldn't pay for the cost of dumping around metal treatment plants and other place, you had chromium going into the water system, and Detroit really tried to get a detective system and find out who the violators were, and do something about the violators, because they were responsible for what they dumped into the river. But look at the region's system and try to figure out who's dumping chromium into a sewer. So those were problems not of Detroit's making, but Detroit was held responsible for that.

[1:48:18]

[did detroit ever charge the corporations—did they ever set up a system where a corp or wholesale client had to pay more for certain materials?]

well, the city would have tried to get an order stopping, getting some kind of enforcement against the violators. Suppose I own, ...ABCXYZ metal plating co, has all sorts of toxic metals they allow to flow into the sewer, or they fill it in a drum and someone takes it to a manhole 2 miles away and dumps it, to the degree..they aren't going to say were gonna charge you extra because it's illegal. They don't charge them for it, they try to get a law enforcement for it.

[1:49:27]

[That's an important piece of information.]

[summarize in 2 sentences the corps dumping through the courts taking over through the profound mess it caused that may be responsible for some of Dwsd problems today —thats how I'm reading what you're saying...]

The corporate dumping into the Detroit wastewater system is a major problem for enforcement, because Detroit is responsible for what it discharges into the Detroit river, but it's very difficult for it to control what people dump into sewers, so if metal plating cos or industrial concerns dump toxic material into the sewer because it's cheaper for them to irresponsibly dispose of that, Then Detroit has to detect all of those illegal actions and bring enforcement to stop them. trace metals, such as chromium and sulphur things that can cause brain damage aren't supposed to be discharged into Detroit river—it harms the fish and the whole ecology of the river system. So the burden is on Detroit, but the burden is really on the entire regional community to really make sure that whoever is putting the toxic material into the river..

Detroit's responsibility was to make sure that it adequately treated all the raw sewerage that came into its system. That's where Detroit fell short, because it would allow, during high water flows from rains, raw sewage to be discharged into the river from a series of flap gates around the river. That opened up when water levels got too high.

[how can we connect some of the infrastructure...some of the debt dwsd has today to this initial EPA lawsuit]

When the lawsuit came on, Detroit was ordered to do massive upgrades. So they built a billion gallon reservoir to hold during rain storms and high water flows, this res would fill up rather than dump into the Detroit river. This res would fill up with sewerage flow that needed treating, and when the rain subsided, the treatment plant could process it all .They had to build higher levels of treatment within the plant. A lot of these costs on the water bill is the sewage costs of course.

[1:53:36]

Because of all the costs of bringing these contractors..in. in the 90s or 2000s, huge contracts were being done at wastewater, and basically the professionals being put aside. These engineering contractors were being given 100s of millions of dollars in contracts. Im not talking about a 5 million \$ consulting contract but to remake the wastewater system. It was always my question that if ten years later if you are still under the court review, did you really follow through on your contract or did you just rake off a lot of money. I'm sure they did something to justify the money. The bottom line is that there were internal civil engineers and professional operations people well trained in 1980s and they had internal training programs in the 1980s to train and upgrade skills of employees. And those training programs were brought to an end.

[1:55:05]

So they could use the outside people and downgrade the city workforce

[that started under the court and not under the mayor?]

Yes, that was under the court.

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[Russ walks through house]

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[2:03:52]

People who have been at the water department for a long time that know that what's being done is wrong, that would never do these things on their own. But they're under the control of the government through the emergency management. This is the outlook of the governor. This is what the governor's policies mean for the city. And, you know, there was always collection procedures. There were always shutoffs in the city. But there was always adequate warning, usually initial warnings and final notices, and it was done as a last ditch effort because we didn't exist merely to collect money.

[2:04:46]

And these folks also know that people's ability to pay is harmed by the economy they live in and the lack of opportunity in this economy and other utilities like DTE are raising their rates, food rates, all the costs are going up to families that have fixed or little or no income, or on public support, or lost unemployment because this governor thought it was a waste of money apparently, to pay people unemployment benefits for very long. As well as national congress, house of reps. So all these things—the consequences

[[car goes by very fast.]]

[2:05:49]

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[2:06:33]

So any rate, when you have an economic system that cuts out—that doesn't provide and eliminates support structures for family income—i.e. there's not jobs, social services, unemployment benefits, alternative income, you can't expect that people can pay the bills as well as these managers and commissioners who might earn 80-150k-200k a year. These people act like their behavior is normal, but if you could sit down and talk with these families, and you ID the income, and you know what they've done in terms of looking for work, to get work, and get revenue, in some cases with handicaps. Some folks have had health issues that impair ability to work..major health issues..then you have, you come to see that this isn't the issue—the stereotype issues that motivate them. OF course they would deny that they are operating on stereotype issues. “all we want is the money, we don't care..” but that is the stereotype issue.

[2:08:30]

You think they can pay but they're not. And sure they got their water turned back on when they're shut off but they begged borrowed and stole. We can't do that every year. And so, the..when the water dept decides they're gonna spend 48 mil on a no bid contract because they were friends with sue mccormicks from a previous place of work and they're gonna kick 48 mil to this contractor to design ways of getting rid of employees, which means essentially cutting services and quality of services, and they wanna finance that on the backs of people by raising water rates, and then say we have a problem with you not being able to pay our water rates, you've built in too many excess costs into those rates , so your posture is not defensible. That's my message to

the water department and all those who want to apologize for their behavior.
[2:09:50]

[LOOK INTO SUE MCCORMICKS CONTACTS!]

[can you lay out a way dwsd can maintain current infrastructure and at the same time make rates affordable—2.5 % e p a recommend.]

Lets play this out. Suppose someone says OK Russ Bellant you are the director of DWSD and you have 24 months to change these rate structures, what are you gonna do. First thing I m gonna fire all the contractors who came in under no bid contracts in a process where I can make sure there are dwsd employees who can perform function, or many times we find we don't need these contractors. Second thing I would do, Maybe the first thing, is to get the best legal advice on how to get out of those phony rate swaps, and all those deals DWSD was put into that were fraudulent. And then, concurrently, I'm gonna put employee groups together to design the changes that need to be done in wastewater and freshwater. In this I would involve retirees who left because of their frustration and unhappiness with the better than thou know nothingness of the people who currently run the DWSD. That includes judges, and so forth. Now the judge is out of the water department business now, but the things that were brought in place were under the last 2 fed judges. I would first seek to get rid of all those costs. In the case where we could improve services like wastewater discharge, I would talk to employees—are we buying the right materials to do water treatment with, and what of our equipment has been allowed to fall apart under these takeover people do we need to put back in line. I would reinstitute training, skill trades development, technical knowledge. I want all of our operators in wastewater and freshwater to have as much expertise as we can put in them . We have enough expertise internally where we don't have to come in and teach them something because we have people who know more on our staff. In some cases, I would ask people who are now in retirement—because we've lost a huge amount of talent in the city through forced retirement. I would try to bring some of them back on for some reasonable cost where needed to fill gaps. So getting rid of the bad financial deals, getting rid of excessive contracts, developing in house remedies would be all the things id pursue. I believe this could lead to rate reduction. I don't think BOWC will get legal advice to take on banks and financial institutions because in the bottom line they don't have the say anyways. The EM and the governor do. That's been true for the last 2 and a half years.

[2:14:27]

So, I probably have to give some consideration of their limit or ability to do things of that sort, and before them, things had to be approved through court, so its never been a true independent authority. If you professionalize it, that's gonna change. I would look at what kind of consequences genesee county—interestingly enough the gov has supported genesee county building their own system so they wouldn't be part of detroit anymore. So the state always pushes we want local communities of scale we built something of scale in the 1930s and 1950s into a regional system. The people in Genessee county were the worst violators of markups. They've convinced people in G.

County that people were unfair to them, but I think Detroit was always fair to them.

[2:15:59]

They'll never save money by building their own 31 mile intake into lake huron. Theyll pay for it for the rest of their children's lives.

[In terms of stabilizing rates for communities. Most people have a very simplistic view that if we offer assistance to people who can't pay its ok to shut them off if they can't pay. I think the reality is that the assistance programs like THAW, which isn't in place right now..im not sure who they are going to contract out..or DRWAP..that's donation based vs something based on income. How do you afford an income based rate structure.]

If you have an economy that is intentionally designed to not have full employment there needs to be an income support system as an alternative. And, it's the lack of employment and income support from the public sector that leads to all these crises . It's not just the water shutoffs, its the gas,. People can't pay if they don't have the money .People call it whatever they way, but if you marginalize people in the economy, and say that if the economy doesn't support you, you are worthless and can't pay for anything, that's a larger statement about who we are. We repealed that kind of thinking in the 1930s and its been brought back in 1980s. WE didn't repeal it, but the arc of social policy is going towards income support until the 1980s. when the deregulated. And not its you know, if you're not out hustling jobs at mcdonalds and wal mart for minimum wage and you are not being a 16 hour a day slave to these minimum wage employees then we don't care what happens to you and your families. I mean really we don't. We say we do, but we don't because we don't do anything to correct or show we care. So.

[2:19:15]