

# Detroit retirees workers blast water department bond restructuring

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- Steve Pardo
- The Detroit News

Detroit— Some city retirees and workers are calling for the cancellation of a planned \$5.2 billion [bond](#) restructuring for the water department and vowed to continue the fight against reductions in their pensions.

Last week, Detroit Water and Sewerage Department commissioners approved a plan to refinance billions in debt to free up cash for the city's bankruptcy restructuring. If accepted by water department bondholders, the move could lower the utility's [interest rate](#), cutting expenses by millions, the city has said.

But the half-dozen retirees at the press conference Wednesday said the plan — and the shut-off of delinquent water accounts in Detroit — should be invalid because they are part of the “unconstitutional [bankruptcy](#) of the city of Detroit” headed up by Emergency Manager Kevyn Orr, Mayor Mike Duggan and Gov. Rick Snyder.

Duggan recently unveiled a 10-point plan aimed at making it easier for customers to enroll in payment programs if they're behind on their bills. Those behind will also receive better notice of shut-offs. A moratorium on residential shutoffs in the city expires Aug. 25.

“The whole thing stinks,” said William Davis, a retiree who served more than 30 years in the wastewater treatment department. “Duggan’s plan does not address the massive theft of funds from the Detroit Water and Sewerage Department by contractors and [banks](#), as well as plans secretly being laid in mediation to privatize and/or regionalize our city’s most lucrative asset.”

Mike Mulholland, 66, president of AFSCME Local 207, said the union’s membership has shrunk from 1,100 a few years ago to around 730 now and that the “skeleton staff” doesn’t have the manpower to do proper maintenance on the water system. The weakened labor force puts the public at risk, he said.

“The unions are now in a free fall,” he said. “It breaks my heart, but it is what it is now.”

The department faced international criticism over its handling of thousands of water shut-offs for residents and businesses that were at least two months behind or \$150 in arrears over water bills.

The department announced an aggressive campaign in the spring, acknowledging it had for years ignored overdue bills and was looking to collect. More than 17,000 Detroiters had their water shut off from March until the July 21 moratorium was announced. Of those, more than half had their water turned back on after paying their bill or making arrangements for payment plans, officials said.

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