



FACT SHEET: Status of Commercial Accounts

- In the past 90 days, the Detroit Water & Sewerage Department (DWSD) has **changed its business practices to improve** customer service and utilize industry standards for public utilities.
 - One year ago approximately 9,000 water and sewer customers were in payment plans, today 43,900 commercial and residential accounts are in payment plans, an increase of 480%.
 - Close to 39,500 residential customers are in payment plans, ensuring continued water service.
 - As a result, DWSD has improved its collection rate from 85% to close to 90% – uncollectable accounts translate to bad debt which impacts water and sewer rates for the following year.
- 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 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.
 - Next week, DWSD will give the law firm an additional 220 delinquent commercial accounts which has an aggregate past due amount of \$1.7 million.
- DWSD also assigned dedicated 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.
 - DWSD staff is making contact with the 1,000 remaining delinquent commercial customers.
 - Separately, DWSD is negotiating with several large commercial customers, such as Russell Industrial Center, Vargo Golf and Michigan Department of Natural Resources, which have past due accounts.
- DWSD uses **shut-off as the last tool in the toolbox** to address past due water and sewer bills.
 - Only illegal commercial and residential water hook-ups have been shut-off during the winter.
 - DWSD will pursue commercial shut-offs in April on accounts that are past due and have not entered into payment plans.
 - No residential customers have been shut-off since November unless they are illegal hook-ups.

Questions or for more information, contact DWSD Public Affairs at dwsd-publicaffairs@detroitmi.gov or 313-965-9781.