

CITY OF DETROIT

News Release

Water and Sewerage Department

Dave Bing, Mayor

FOR IMMEDIATE RELEASE

Date: March 13, 2013

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DWSD'S BOWC ENDORSES HISTORIC RESTRUCTURING

“The actions taken today by the Root Cause Committee (RCC) and the Board of Water Commissioners (BOWC) are an important advancement toward the financial stability of one of the world’s largest water systems,” said Detroit Water and Sewerage Department (DWSD) Director Sue F. McCormick.

Her comments are in response to the RCC, including Detroit Mayor Dave Bing, signing a “conceptual” agreement in support of DWSD becoming an independent public authority under the supervision of the BOWC. The accord provides that the City would retain ultimate ownership of the asset and ultimately receive an annual PILOT (payment in lieu of taxes) disbursement currently estimated at \$50 million.

“The RCC and the BOWC are to be commended for their courage and vision in embracing a structure that will assure stability for the department, while providing customers with quality and affordable service,” said McCormick. “It also insures continuity, and equally important, assures final decision making rests with the authority.”

“This is a win-win for our city and suburban partners, our customers and our employees,” added McCormick.

However, the director cautioned that while significant, this action is only an important first step in restoring “vendor confidence, reassuring bond holders and improving DWSD bond ratings. There is still work to be done, not the least of which is securing buy-in from our customer communities.”

Director McCormick is proceeding with the preparation of the Final Compliance Report to be submitted on March 15 to Federal Judge Sean Cox. It is anticipated that the court will subsequently release DWSD from the lawsuit under which it has retained superintending control for more than 35 years. That action will bring about additional water quality protection to the area’s lakes and rivers.

Questions surrounding the actions taken today by the BOWC should be directed to Bill Johnson at (248) 840-1095.

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