

3/29/16

Good Morning

I'm Jerry Preston my residence is 613 Pierson Street, Flint, MI

As we all now know, the situation we find ourselves in is the result of a number of decisions made on inaccurate information.

The decision to employ the Flint Water Plant as a source of water for the city was made because of a decision to leave the DWSD as a source of water. Why did the city want to leave DWSD as a source of water after more than 50 years of satisfactory service? This appears to be the first decision made on inaccurate information that leads us to our present situation.

Why did the city want to leave DWSD?

As you know, DWSD has several sources of water for its system. DWSD supplies Flint water from Lake Huron that is treated by the Ft Gratiot plant and is transmitted by a very large pipe to Lapeer County where the water distribution is split into a supply for the northern Detroit suburbs and then continues west to supply Flint.

The reason to leave DWSD is not because there is an insufficient supply of treated water.

It was the cost of the DWSD supplied water that was given as the reason for the investment into the KWA.

As you also know, Flint had the franchise from DWSD to supply all of Genesee County with water. The City of Flint purchased water from DWSD, sold it to Genesee County, who in turn sold it to the Townships. With all of these mark-ups, one would think the water supplied to township residents would be very expensive. To the contrary, Township residents paid approximately 1/3<sup>rd</sup> what Flint residents pay

The document I wrote and presented to the Flint City Council, called a Tale of Two Water Bills, details this.

I then examined my Flint water bill in more detail and determined that the cost of Detroit water was less than 10% of the total Flint Water and Sewer Bill. In fact in the typical Flint resident water bill of \$115, the cost of Detroit water is only \$10.50. The threat of a 50% increase in the cost of water would add another \$10.50 to the bill causing the bill to

be \$125. This does not appear to be a reason to make such a major change in the source of water for the City. Granted, the City has older infrastructure and has additional costs in maintaining the system, however, this is not a reason for creating a completely new water supply for the city.

The fact that the cost of water from DWSD is not a significant factor in delivering water to Flint residents was confirmed when the City switched to the Flint Water Treatment plant for our water source. Instead of our water bills decreasing because of the elimination of the cost of the source of water, the bills increased. The cost of DWSD water is not a significant factor in a typical resident's water bill.

It is this first decision to leave DWSD as our source of water that started us down the path that has lead us to our present situation.

It seems to me that we should continue with the source of water that has provide satisfactory service to the City for more than 50 years and concentrate on maintaining and improving our water and sewer infrastructure.

I would be pleased to answer any questions

*Derry Pruster*

# An Analysis of Flint Water Bills

4/7/2014

KEEP THIS PORTION FOR YOUR RECORDS

LAST READ / DATE / TYPE	NEW READ / DATE / TYPE	CONSUMPTION	SERVICE	CHARGE	PREVIOUS BALANCE	PAYMENTS	ADJUSTMENTS	CURRENT PENALTY	NEW CHARGES	TOTAL DUE	DATE DUE
3551 12/06/2013 A	3551 01/09/2014 E	2	Sewer Non-metered Sewer Svc Chrg Water Water Svc Chrg	9.60 32.00 15.04 21.78	132.20	-132.20	0.00	0.00	78.42	78.42	02/07/2014
PENALTY ASSESSED 30 DAYS AFTER DUE DATE											

KEEP THIS PORTION FOR YOUR RECORDS

LAST READ / DATE / TYPE	NEW READ / DATE / TYPE	CONSUMPTION	SERVICE	CHARGE	PREVIOUS BALANCE	PAYMENTS	ADJUSTMENTS	CURRENT PENALTY	NEW CHARGES	TOTAL DUE	DATE DUE
3551 02/04/2014 A	356 03/05/2014 A	1	Sewer Non-metered Sewer Svc Chrg Water Water Svc Chrg	4.80 32.00 7.52 21.78	53.78	-53.78	0.00	0.00	66.10	66.10	04/07/2014
PENALTY ASSESSED 30 DAYS AFTER DUE DATE											

Units

Water Usage - Cons	0	1	2	3	5	10	50	100	1000
Water Usage - Cons	0	1	2	3	5	10	50	100	1000
Unit Charges	Gallons	748 G	1,496 G	2,244 G	3,740 G	7,480 G	37,400 G	74,800 G	748,000 G
Sewer Non-metered	\$ -	\$ 4.80	\$ 9.60	\$ 14.40	\$ 24.00	\$ 48.00	\$ 240.00	\$ 480.00	\$ 4,800.00
Sewer Svc Chrg	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00
Water	\$ -	\$ 7.52	\$ 15.04	\$ 22.56	\$ 37.60	\$ 75.20	\$ 376.00	\$ 752.00	\$ 7,520.00
Water Svc Chrg	\$ 21.78	\$ 21.78	\$ 21.78	\$ 21.78	\$ 21.78	\$ 21.78	\$ 21.78	\$ 21.78	\$ 21.78
<b>Total Bill</b>	<b>\$ 66.10</b>	<b>\$ 66.10</b>	<b>\$ 78.42</b>	<b>\$ 90.74</b>	<b>\$ 115.38</b>	<b>\$ 176.98</b>	<b>\$ 669.78</b>	<b>\$ 1,285.78</b>	<b>\$ 12,373.78</b>

Cost of Detroit Water	\$ 2.10	Per Unit	\$ -	\$ 2.10	\$ 4.20	\$ 6.30	\$ 10.50	\$ 21.00	\$ 105.00	\$ 210.00	\$ 2,100.00
% of Bill attributed to Detroit Water	0.00%	3.18%	5.36%	6.94%	9.10%	11.87%	15.68%	16.33%	16.97%		

- Notes:
1. Based on a Detroit Water cost of \$21.00 per 1,000 Cubic Feet
  2. 1 Flint Water Unit is 100 Cubic Feet.
  3. 1 Cubic Foot = 7.48 Gallons
  4. 1 Unit = 748 Gallons

## A Tale of Two Water Bills – Flint vs. Flint Township

Flint purchases water from Detroit. Flint sells water to its citizens and to Genesee County who sells water to the Townships and they to their citizens. With mark ups from Genesee County and the Townships to cover the cost of billing etc., one would expect that Flint Township water would cost more.

Let's look at a couple of bills – one from Flint and one from Flint Township.

The bill for Flint covers one month, the bill for Flint Township covers 3 months. Flint bills in units of 100 Cubic Feet (ft<sup>3</sup>), Flint Township bills in units of 100 ft<sup>3</sup> but shows usage in units of 1 ft<sup>3</sup>.

Here are the bills:

### Flint

**KEEP THIS PORTION FOR YOUR RECORDS**

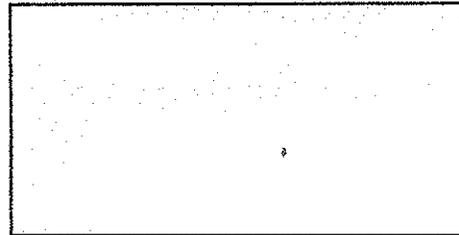
LAST READ / DATE / TYPE	NEW READ / DATE / TYPE	CONS	SERVICE	CHARGE	Previous Balance	78.42
350	09/10/2013 A	351	10/09/2013 A	1	Sewer Non-metered	4.80
					Sewer Svc Chrg	32.00
					Water	7.52
					Water Svc Chrg	21.78
					Payments	-78.42
					Adjustments	0.00
					Current Penalty	0.00
					New Charges	66.10
					<b>Total Due</b>	<b>66.10</b>
					<b>Due Date</b>	<b>11/07/2013</b>
ACCOUNT: PIES-000613-0000-01		SERVICE AT: 613 PIERSON ST				

**PENALTY ASSESSED 30 DAYS AFTER DUE DATE**

### Flint Township

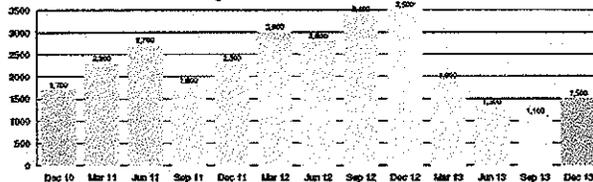
**FLINT TOWNSHIP**  
1490 S DYE RD  
FLINT, MI 48532-4121

Billing Questions? Call 810-732-1350



ACCOUNT NO.	SERVICE ADDRESS	CYCLE/ROUTE	UNITS	BILL DATE	BILLING PERIOD		
[REDACTED]	[REDACTED]	QUARTERLY-B / 032	1	12/01/13	08/01/13 TO 10/31/13		
SERVICE TYPE	METER NUMBER	SIZE	BEGIN DATE - END DATE	DAYS	TYPE	BEGIN READ - END READ	USAGE
WATER	[REDACTED]	5/8"	07/02/13 - 10/10/13	100	Actual	141600 143100	1500

Your Usage Over The Last 13 Bill Periods



EXPLANATION OF CHARGES

Previous Balance	\$	128.43
Payments Received	\$	(128.43)
Balance Forward	\$	0.00
Miscellaneous Charges	\$	0.00
WATER Charges	\$	109.80
SEWER Charges	\$	48.27
<b>TOTAL DUE BY 12/15/13</b>		<b>158.07</b>
<b>FAILURE TO RECEIVE BILL DOES NOT WAIVE PENALTY</b>		
<b>TOTAL DUE AFTER 12/15/13</b>		<b>173.88</b>

### **Flint Bill at Flint Township Rates**

Let's recalculate the Flint Bill using Flint Township rates. Assume the Flint Water Customer is billed in Three month Segments. Three months usage would be 300 ft<sup>3</sup>.

Water Ready to serve = \$18.10 X 3 months = \$54.30

Water Usage = \$3.70 X 3ft<sup>3</sup> = \$11.10

Sewer Ready to serve = \$6.89 X 3 months = \$20.67

Sewer Usage = \$1.84 X 3 ft<sup>3</sup> = \$5.52

Total Bill for 3 months is \$91.59 or \$30.53/month compared to Flint's actual bill of \$66.10/month.

### **Flint Township Bill at Flint Rates**

Let's now recalculate the Flint Township Bill using Flint rates. We will divide the 3-month bill by 3 to calculate a monthly bill. One-month usage would be 500 ft<sup>3</sup> or 5 Units as Flint measures.

Sewer Non Metered = \$4.80 X 5 units = \$24.00

Sewer Sev Chrg = \$32.00

Water = \$7.52 X 5 units = \$37.60

Water Sev Chrg = \$21.78

Total Bill = \$115.38 for one month or \$346.14 for 3 months.

There is no question that the cost of water to Flint residents is 2 to 3 times more than the cost of the same water to Flint Township residents.

If the cost of Detroit water is so high that it is driving the cost of Flint water, how can Flint sell water to Genesee County and the County to Flint Township and yet have Flint Township water cost be 1/3 to 1/2 the cost of Flint water?

**Flint residents deserve answers!**