

Oakland's Water Commissioner Asks Judge to Create Regional Management Committee for DWSD

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Citing more than 30 years of mismanagement, fraud, corruption and continued violations of federal law, Oakland County Water Resources Commissioner John P. McCulloch today filed a motion in federal court asking that control of the Detroit Water and Sewerage Department (DWSD) be transferred to an interim regional management committee.

The motion, filed before Judge Sean Cox, requests that the regional management committee have the identical powers previously given to former Detroit Mayor Kwame Kilpatrick as DWSD's special administrator. If the judge agrees, the regional management committee would be comprised of the Detroit Mayor Dave Bing, Macomb County Public Works Commissioner Anthony Marrocco, Oakland County Water Resources Commissioner John P. McCulloch, the director of Wayne County's Department of Environment and a representative chosen by the court.

McCulloch said that not only would the regional management committee provide an effective and efficient method for achieving the best result for all of the users of the DWSD, it would "obviate a sure-fire calamity down the road."

This isn't the first time McCulloch has asked a federal judge to appoint a management committee to oversee the DWSD. In 2005, in addition to seeking a management committee, he asked Judge Cox's predecessor, Judge John Feikens, to look into questionable contract procurements. Judge Feikens, who presided over the 1977 case originally filed by the U.S. Environmental Protection Agency for violating the federal Clean Water Act, denied the request

for a management committee and assigned his “special master,” F. Thomas Lewand to investigate the questionable contracts. Lewand concluded everything was fine.

Federal investigators found otherwise and handed down criminal indictments against Kilpatrick, former DWSD Director Victor Mercado and others alleging that the same contracts that Oakland County had been complaining about for years were rigged and fraught with fraud.

Since his appointment in 2002, Lewand has been paid some \$1.6 million. Infrastructure Management Group (IMG) was hired by Judge Feikens in 2002 specifically to assist in the oversight of DWSD, including the examination of all contracts with a value of more than \$500,000. IMG was paid more than \$2.2 million from 2008 to 2010 alone. Charges prior to 2008 are not included in the court files.

McCulloch said that even without the corruption, a January 2000 court investigation found that systematic deficiencies within the DWSD, including a lack of leadership and effective management, contributed to its non-compliance problems. The court concluded that failures in the areas of capital improvements, finance, purchasing and human resources, including a chronic inability to adequately staff the skilled trades, engineers and other professional personnel, inadequate training, career development and succession planning were all contributing factors.

McCulloch contends that the proposed regional management committee can solve those problems because the counties have “decades of experience and expertise” in the very areas in which DWSD is lacking, including engineers with years of experience operating and maintaining water systems and other experts in wastewater treatment, storm water management and environmental managers and supervisors.

He emphasized that the regional management committee would have no greater power than was given to former Mayor Kilpatrick and previous mayors before him back to 1979 when Mayor Coleman A. Young was appointed as the first special administrator.

The special administrator has broad powers to bypass the Detroit Water and Sewerage Board and the Detroit City Council. The administrator also has the authority to control, manage

and operate the City of Detroit Wastewater Treatment Plant, including all of the functions, duties, powers and authority of the Detroit Board of Water Commissioners, the DWSD and any department, board or other divisions of the City of Detroit as they affect the 1977 Consent Judgment, all without the necessity of going before the Detroit City Council for approval if that might “unavoidably delay or impede accomplishment by the City of Detroit with the provisions of the Consent Judgment.”

The DWSD provides wastewater collection, treatment and disposal services for the City of Detroit and approximately 76 municipal suburban communities. It serves more than four million people, three quarters of which live outside the City of Detroit. Approximately a million DWSD customers live in Oakland County.