



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON D.C. 20460

THE ADMINISTRATOR

The Honorable Rick Snyder
Governor of Michigan
P.O. Box 30013
Lansing, Michigan 48909

Dear Governor Snyder:

Thank you for your time today to talk about our shared concerns for the people of Flint. As we discussed, today I am issuing an Order, pursuant to Section 1431 of the Safe Drinking Water Act, directing the Michigan Department of Environmental Quality and the City of Flint to take immediate action to address serious and ongoing concerns with the safety of Flint's drinking water system. The U.S. Environmental Protection Agency is deeply concerned by continuing delays and lack of transparency and has determined that the actions required by the Order – the key elements of which are summarized below – are essential to ensuring the safe operation of Flint's drinking water system and the protection of public health. The Order, which has been transmitted separately, directs that the state notify the EPA in writing within one day of its intent to comply. Recognizing that you have made changes to the leadership at MDEQ, it is imperative that our respective teams set up a meeting no later than next week to begin the work that is before the state, the city and the EPA.

The EPA and other federal agencies are working closely with the state and city to address the public health emergency that is now unfolding as a result of the failure to properly operate Flint's system, leading to multiple health-based drinking water violations and unsafe lead levels in the city's drinking water. As part of these efforts, this past October the EPA established the Flint Safe Drinking Water Task Force (the "EPA Task Force"), composed of EPA scientists who are recognized experts in the field of corrosion control in drinking water systems. The EPA Task Force has provided written recommendations to the city and MDEQ, clearly addressing specific steps needed to re-optimize corrosion control, as well those needed to ensure that the system maintains optimal corrosion control throughout the transition of Flint's water supply from the Great Lakes Water Authority (Detroit) to the Karegnondi Water Authority (KWA) that the city is planning for the summer of 2016. These recommendations have been publicly posted at <http://www.epa.gov/flint-drinking-water-documents>.

As you and I discussed, some progress has been made in addressing these recommendations; but there continues to be inadequate transparency and accountability with regard to provision of test results and actions taken and those are critical for the people of Flint. In addition, there is an increasing concern about capacity to carry out the recommended actions and to safely manage Flint's drinking water system – especially in the context of the intended transition to KWA water in summer 2016. The EPA Task Force, the city, and the state have had to devote substantial effort to issues related to the planned

transition from treated water purchased from Detroit to untreated water from KWA. That transition presents complex technical and managerial challenges, above and beyond those related to the immediate need to reduce lead levels in Flint's drinking water, that have serious implications for drinking water safety and public health. Finally, it must be recognized that the EPA Task Force's expertise and technical advisory role are narrowly focused on corrosion control, and that there is a much broader set of issues that must be addressed to ensure the safety of drinking water provided by the Flint system.

For these reasons, the EPA's Order requires the state and the city to take a number of actions, summarized below, to ensure that Flint's drinking water system is re-optimized for corrosion control, that the city establishes the capacity to safely and effectively operate its drinking water system, and that there is public transparency and accountability with regard to these actions:

1. Promptly provide the EPA and the public with official, public and timely responses to the recommendations of the EPA Task Force, including status and plans with regard to implementation of recommended actions
2. Fully implement the EPA Task Force's recommendations with regard to lead sampling: promptly and continuously share the results of all lead sampling and other relevant Flint drinking water data with the EPA and the public, with proper protections for personally identifiable information; and cooperate with the independent EPA sampling effort described below.
3. Ensure, including through the provision of state resources as necessary, that the city has the full complement of qualified professionals needed to safely operate Flint's drinking water system.
4. Obtain, through a publicly transparent process and with the support of state resources as necessary, advice from independent, nationally-recognized experts on drinking water treatment, sampling, and distribution system operation – in order to ensure safe and effective management of that system and to restore public confidence.
5. Prior to implementing any transition to KWA water, make an affirmative determination, with appropriate expert advice and an opportunity for public input, that the city has the technical, managerial, and financial capacity to safely and effectively operate its drinking water system, and that all necessary infrastructure upgrades, analysis, and testing have been completed, in order to ensure a safe transition to KWA.

To help ensure transparency and accountability, the EPA will work with the city in the near term to oversee and participate in the collection of Lead and Copper Rule drinking water samples by Flint residents, will have these samples analyzed in a certified laboratory, and will provide this data to the public, with appropriate protections for personally identifiable information. Further, the EPA will conduct additional, sequential sampling at locations throughout the distribution system, which will be used to further inform the treatment optimization process. The EPA underscores that the state and city ultimately will need to work with independent recognized experts to undertake a broader effort to fully assess and verify the safety of Flint's drinking water system-wide.

Flint Drinking Water Task Force (FTF 15-5)

Task Force Recommendations Regarding Flint Drinking Water Treatment Performance Evaluation

For protection of public health, Flint must avoid significant distribution system issues similar to those experienced following the source water switch to the Flint River and subsequent operation of Flint's water treatment plant.

The EPA Flint Safe Drinking Water Task Force recommends that Flint develop and implement a Performance Assessment Plan prior to distribution of water from the Karegnondi Water Authority (KWA) source. The plan must address how the treatment plant will be brought on-line, and how finished drinking water will be introduced to the distribution system. This plan is particularly important given the City has no experience treating the KWA-supplied water, and is operating a distribution system that is still recovering from the past upset.

Flint should work with its consultant and MDEQ to establish objective water quality and plant performance criteria. The plan must include operation of Flint's drinking water treatment plant for a reasonable period of time to treat KWA-supplied water until:

- (1) the treated water meets finished water quality goals;
- (2) the finished water quality is consistently maintained;
- (3) potential plant operational and mechanical start-up issues are identified and addressed; and
- (4) water plant operations staff are proficient in treating the new source.

KWA water should not be distributed to the public until these conditions are satisfied.

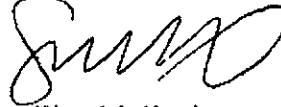
During this performance evaluation period, Flint must distribute to the public water from an alternate source. As water is already received from Detroit (Great Lakes Water Authority), that is an obvious and appropriate choice for that interim period. The length of the performance evaluation period will be dependent on the amount of time it takes for the treatment plant to consistently and reliably meet the performance criteria.

Because of similarities in source water and in treatment processes with Detroit's Huron plant, the Flint water plant will likely be configured to produce treated water with similar quality to that of the water currently being received from Detroit. Continued use of Detroit water during the performance evaluation period will minimize the risk of distribution system upsets.

We encourage Flint and the City's consultant to perform a number of assessments prior to the completion of the KWA pipeline and availability of the Lake Huron source water to expedite the plant transition period. For example, the planned bench-scale jar tests will be helpful in establishing full-scale treatment plant operating parameters. Assessment of corrosion control treatment using Detroit source water with lead pipe loop rigs in advance of switching to the KWA source may also be transferrable to the KWA source water. Pipe loops rigs operated during the performance assessment period will help predict whether lead release will be an issue when the new plant goes on line. EPA will work with the City to set up pipe loops at the Flint treatment plant.

The steps outlined above are essential to fulfill our shared interest in the protection of public health against further harm from drinking water contamination, and to restoring public confidence that the ongoing drinking water crisis will be promptly and fully remedied. I expect to receive prompt written notice of the state's intention to promptly and fully comply with the requirements of the Order.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gina McCarthy', with a stylized, cursive script.

Gina McCarthy

cc: The Honorable Karen Weaver
Mayor of Flint

Notes on Executive Order 2016-01

Creating the Flint Water Interagency Coordinating Committee

1 Purpose of the FWICC

The first section of Executive Order 2016-01 explains that the goal of the FWICC is to facilitate collaboration and communication between state departments, local governments, and subject matter experts to (1) ensure safe drinking water and (2) address the consequences of elevated lead levels in drinking water. Three key “whereas” clauses are highlighted below:

WHEREAS, multiple state departments and local authorities share the responsibility for ensuring safe drinking water and the coordination of efforts to address the consequences resulting from the presence of elevated lead levels in drinking water; and

WHEREAS, ensuring safe drinking water and addressing the consequences of elevated lead levels in drinking water will require collaboration and communication between state departments, local governments, and subject matter experts; and

WHEREAS, the establishment of a Flint Water Interagency Coordinating Committee within the Michigan Department of State Police will facilitate the collaboration and communication between state departments, local governments, and subject matter experts necessary to effectively coordinate a response and recovery effort;

2. Administrative Location of the FWICC

Under the Michigan law, executive functions generally must occur within one of the principal departments of the executive branch. Accordingly, the FWICC was created within the Department of State Police (MSP). All administrative matters like budget and staffing fall under the MSP umbrella. Colonel Kriste Etue is the department director of MSP.

I. A. The Flint Water Interagency Coordinating Committee (“Coordinating Committee”) is created as an advisory body within the Michigan Department of State Police (the “Department”).

III. A. The Coordinating Committee shall be staffed and assisted by personnel from the Department as directed by the Department Director. Any budgeting, procurement, and related management functions of the Coordinating Committee shall be performed under the direction and supervision of the Department Director.

An advisory committee does not make policy; rather, it provides advice to policy makers. As such, the committee is not subject to the specific statutory requirements Open Meetings Act. This gives the committee maximum flexibility to hold meetings in private or in public as the committee decides. This also gives FWICC flexibility to allow all or some participants to join meetings by telephone or send votes by email, as you decide to be appropriate.

3. Composition of the FWICC & Length of Terms

Section I of the Executive Order addresses the composition of the committee. The FWICC consists of seven state government officials (Office of Urban Initiatives, EMHS, DEQ, DHHS, LARA, Treasury and MDE), seven local officials (selected by the Mayor and the county commission), and three subject matter experts. The initial terms of service end on 12/31/18, the last full day of the Governor's term.

Directors may send a designee to attend and vote at meetings. It generally works best if the designee is the same person each time, but that is not a strict requirement.

Executive orders carry over from one administration to the next unless they are rescinded or amended. The next Governor will have the option of keeping the FWICC in place and making new appointments. Your appointment will last as long as you remain eligible or until a new person is appointed after the expiration of your term. You may be appointed to successive terms. The FWICC will exist until a Governor decides that the FWICC should be terminated.

I. C. A vacancy on the Coordinating Committee occurring other than by expiration of a term shall be filled in the same manner as the original appointment for the balance of the unexpired term. A member may continue serving until his or her successor is appointed. A member may serve successive terms if reappointed

4. Charge to FWICC

Section II of the Executive Order lays out the responsibilities of the FWICC:

1. Create an incident action plan designed to assist state and local authorities in ensuring safe drinking water for the residents of the City of Flint and addressing the consequences of elevated lead levels in drinking water.
2. Review recommendations made by the Flint Water Advisory Task Force and propose statutory, regulatory, or contractual actions necessary for implementation of such recommendations.
3. Identify staff with competencies in emergency planning, operations, logistics, and finance as outlined under the National Incident Management System (NIMS) to work with the Coordinating Committee to track resource requests and document progress on the incident action plan.
4. Establish a standard process for sharing pertinent information between all members including use of the NIMS and Unified/Incident Command as appropriate.
5. Establish routine communications protocols at the local, executive, and legislative levels as appropriate.
6. Establish a public information protocol to effectively inform the community.
7. Make recommendations for acceptable standards for potable water.

8. Make recommendations regarding the health impacts for the affected population.
9. Assess the status of infrastructure and determine feasible actions to upgrade the water system.
10. Establish subcommittees among its members to specifically address, at a minimum, each of the three following topic areas: Water Quality, Community Health, and Education.
11. Assist the Governor and the Department in implementing appropriate operations permitted under the Michigan Emergency Management Act or the federal Stafford Disaster Relief and Emergency Assistance Act, including local emergency operations plans and guides
12. Explore any avenues of funding for response and recovery efforts including federal grants, legislative appropriations, and private partners.

Highlights include: Creating an incident action plan, reviewing recommendations of the Flint Water Advisory Task Force, working with EMHS on the emergency response, facilitating communication within and outside of government, forming at least three subcommittees (Water Quality, Community Health, and Education), making various recommendations to the Governor based on the knowledge and expertise of the FWICC, and exploring funding options.

Not all of these tasks are not the *sole* responsibility of the FWICC. A number of the state and local offices that are part of the FWICC also share responsibility. The FWICC will help to ensure that the various responsible bodies at the state and local level are collaborating and communicating with each other.

5. Operations of the FWICC

Section III of the Executive Order addresses how the FWICC will operate. It is designed to give the FWICC maximum flexibility.

As Statewide Coordinators, Harvey Hollins and Captain Kelenske will be responsible for running the meetings and ensuring that the FWICC completes its required functions:

III. B. The Director of Office of Urban Initiatives within the Executive Office of the Governor and the Deputy State Director of Emergency Management and Homeland Security shall together serve as the Statewide Coordinators responsible for the administrative functions of the Coordinating Committee.

III. E. The Coordinating Committee shall meet at the call of either of the Statewide Coordinators and as may be provided in procedures adopted by the Coordinating Committee.

The FWICC has a great deal of freedom to consult with or work with outside experts, members of the public, and government officials:

III. C. The Coordinating Committee may utilize subcommittees and advisory panels composed of its members to assist in completing the functions of the Coordinating Committee. The Coordinating Committee may request public participation on advisory panels as the Coordinating Committee deems necessary.

III. F. The Coordinating Committee may, as appropriate to perform its duties, make inquiries, conduct studies, consult with outside experts and federal agencies, and receive comments from the public.

III. H. The Coordinating Committee may accept donations of labor, services, or other items of value from any public or private agency or person. Any donations shall be expended in accordance with applicable laws, rules, and procedures.

IV. A. All departments, committees, commissioners, or officers of this state or of any political subdivision of this state may give to the Coordinating Committee, or to any member or representative of the Coordinating Committee, any necessary assistance required by the Coordinating Committee, or any member or representative of the Coordinating Committee, in the performance of the duties of the Coordinating Committee so far as is compatible with its, his or her duties.

Any recommendations to the Governor must be supported by a majority of currently serving FWICC members:

III. D. When making recommendations to the Governor, a majority of the serving members of the Coordinating Committee must concur.

Committee members are not compensated but may be reimbursed for travel expenses (e.g., mileage and parking) according to the normal state expense rules. These reimbursements would occur through MSP, which houses the FWICC.

III. G. Members of the Coordinating Committee shall serve without compensation but may receive reimbursement for necessary travel and expenses according to relevant statutes and the rules and procedures of the Civil Service Commission, and the Department of Technology, Management and Budget, subject to available funding.

Any media inquiries, legislative inquiries, and legal inquiries should be handled through MSP. If the FWICC needs legal representation or assistance, it would be provided by an assistant attorney general through MSP:

III. I. Members of the Coordinating Committee shall refer all legal, legislative, and media contacts to the Department.

6. The Freedom of Information Act

The FWICC is a "public body" within the department of state police in the executive branch. Accordingly it is subject to FOIA. For purposes of clarity, this is spelled out in the Executive Order:

III. J. A writing prepared, owned, used, in the possession of, or retained by the Coordinating Committee in the performance of an official function is subject to the Freedom of Information Act, 1976 PA 442, as amended, MCL 15.231 to 15.246

Any FOIA requests to FWICC should be referred to the FOIA coordinator for MSP, who will work with you to handle the response.

Michigan's FOIA law covers the public records of public bodies (such as MSP and the FWICC).

A "public record" means "a writing prepared, owned, used, in the possession of, or retained by a public body in the performance of an official function, from the time it is created. Public record does not include computer software." The definition of "writing" is very broad, including any "means of recording or retaining meaningful content."

In short, this means that your notes taken at FWICC meetings, e-mails between FWICC members about FWICC business, and any documents created or used by FWICC are subject to FOIA and could be released to the media. There are a number of exemptions to FOIA. These are listed at MCL 15.243, and include—among other things—personal information and information that is subject to a legal privilege like that attorney-client privilege.

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Governor Rick Snyder
REINVENTING MICHIGAN
Getting It Right. Getting It Done.

SNYDER

Gov. Rick Snyder: Swift Senate approval of \$30 million for water bills shows strong commitment to Flint residents

If approved by House, supplemental funding for Flint totals \$67.3 this fiscal year

Thursday, Feb 4, 2016

LANSING, Mich. – The proposal announced yesterday by Gov. Rick Snyder to aid the city of Flint with credits to be applied to the portion of residents' water and sewer bills for water used for drinking, bathing and cooking is one step closer to enactment after the state Senate voted unanimously today for passage of the \$30 million dollar funding request.

"We want to provide relief to Flint residents who were paying for water they could not drink," Snyder said. "The entire state continues to demonstrate unity in coming together for the residents of Flint, and I greatly appreciate the acts of cooperation, bipartisanship and good will that are advancing Flint's recovery."

If approved by both chambers and signed into law, the Consumption and Consumer Use Credit would aid the city of Flint in applying these credits to residents' water portion of their water and sewer bills until state and federal officials certify the water is safe to consume. Under the plan, the city would credit residential bills going back to April 2014 for water used for drinking, bathing and cooking - about 65 percent of the water portion of residential water and sewer bills. Residents would still be responsible for covering sewer costs as well as water not used for consumption - such as flushing toilets, hot water boilers and outside water use.

Last Friday, Snyder signed a supplemental budget bill for Flint for \$28 million to supply free bottled water, faucet filters, and testing kits for Flint residents, put nurses in local schools to monitor student health and well-being, provide better nutrition for students and infants through WIC and in-school nutrition programs and fund other health care and follow-up services for children with high lead levels.

The \$28 million is in addition to \$9.3 million appropriated in Oct. 2015 to move back to Detroit's water system, test drinking water and provide wraparound services for children. If this \$30 million is approved by the House, state funding for Flint's water crisis for this Fiscal Year will total \$67.3 million.

The supplemental spending now heads to the House for consideration, where it will be held for 5 days according to the Constitution before it can be voted on.

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, assuming compliance with certain covenants by the Issuer, the interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. See "TAX MATTERS" and "FORM OF APPROVING OPINION" herein for a description of certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), which may affect the tax treatment of interest on the Bonds for certain Bondholders

**COUNTY OF GENESEE
STATE OF MICHIGAN
\$35,000,000
WATER SUPPLY SYSTEM REVENUE BONDS
(LIMITED TAX GENERAL OBLIGATION)
SERIES 2013**

Dated: Date of Delivery

Principal Due: November 1, as shown on Inside Cover Page

The Water Supply System Revenue Bonds (Limited Tax General Obligation), Series 2013 (the "Bonds") are issued under the provisions of Act 94, Public Acts of Michigan, 1933, as amended, Act 342, Public Acts of Michigan, 1939, as amended, and Ordinance Nos. 03-03, 03-05, 06-06, 12-03 and 13-01 (collectively, the "Ordinances") duly adopted by the County of Genesee, State of Michigan (the "Issuer"). The Bonds are being issued for the purpose of paying a portion of the cost of acquiring and constructing improvements to the Issuer's Water Supply System (the "System"). The Bonds are payable primarily from the Net Revenues (as hereinafter defined) of the System, and are secured by a statutory first lien on the Net Revenues established by said Ordinances on a parity basis with certain Outstanding Bonds (as hereinafter defined). The Issuer has covenanted and agreed to fix and maintain at all times while any of the Bonds are outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the necessary expenses of operation, maintenance and administration of the System, of the principal of and interest on all of the Bonds and the Outstanding Bonds when due, and to provide for such other expenditures and funds for the System as are required by the Ordinances.

As additional security for the payment of the principal of and interest on the Bonds, the Issuer has irrevocably pledged its full faith and credit for the prompt payment of the principal of and interest on the Bonds. Should the Net Revenues of the System at any time be insufficient to pay the principal of and interest on the Bonds when due, then the Issuer shall pay the amount of the insufficiency from its general funds as a first budget obligation. The Issuer is obligated, to the extent necessary, to levy ad valorem taxes on all taxable property in the boundaries of the Issuer for such purpose, subject to applicable constitutional and statutory limitations as to rate and amount.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY.



The Bonds are issuable only as fully registered Bonds without coupons, and when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry only form, in the denominations of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial interest in Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See *BOOK-ENTRY ONLY SYSTEM* herein.

Interest on the Bonds will be payable semiannually on May 1 and November 1 of each year commencing on May 1, 2014. The Bonds will be registered Bonds, of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the principal amount of such maturity. The principal and interest shall be payable at the corporate trust office of The Huntington National Bank, Grand Rapids, Michigan or such other transfer agent as the Issuer may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any change in interest payment date (the "Transfer Agent"). Interest shall be paid when due by check mailed to the registered owner as shown by the registration books as of the fifteenth day of the month preceding the payment date for each interest payment. Payment of principal and interest to Beneficial Owners shall be made as described in *BOOK-ENTRY ONLY SYSTEM* herein.

The Bonds are subject to redemption at par, as described herein.

The Bonds are offered when, as and if issued by the Issuer and subject to receipt of the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Dickinson Wright PLLC, Troy and Lansing, Michigan. It is expected that delivery of the Bonds will be made in New York, New York on or about October 3, 2013.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT.

J.P. Morgan

Wells Fargo Securities

Stifel, Nicolaus & Company, Incorporated

Dated: September 17, 2013

MATURITY SCHEDULE

WATER SUPPLY SYSTEM REVENUE BONDS (LIMITED TAX GENERAL OBLIGATION), SERIES 2013

SERIAL BONDS (Base CUSIP[§]:371608)

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP[§]</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP[§]</u>
2014	\$670,000	2.000%	0.580%	RJ1	2024	\$1,185,000	5.000%	4.260%*	RU6
2015	\$815,000	3.000%	1.100%	RK8	2025	\$1,240,000	5.000%	4.440%*	RV4
2016	\$840,000	3.000%	1.520%	RL6	2026	\$1,305,000	5.250%	4.620%*	RW2
2017	\$865,000	4.000%	1.970%	RM4	2027	\$1,375,000	5.250%	4.750%*	RX0
2018	\$900,000	4.000%	2.490%	RN2	2028	\$1,445,000	5.250%	4.870%*	RY8
2019	\$935,000	4.000%	2.860%	RP7	2029	\$1,520,000	5.000%	5.000%	RZ5
2020	\$975,000	5.000%	3.190%	RQ5	2030	\$1,595,000	5.000%	5.080%	SA9
2021	\$1,020,000	5.000%	3.530%	RR3	2031	\$1,675,000	5.000%	5.130%	SB7
2022	\$1,075,000	5.000%	3.810%	RS1	2032	\$1,760,000	5.125%	5.210%	SC5
2023	\$1,125,000	5.000%	4.030%*	RT9	2033	\$1,850,000	5.125%	5.280%	SD3

*Yield to the May 1, 2023 first call date

TERM BONDS

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP[§]</u>
2038	\$10,830,000	5.375%	5.510%	SE1

[§] Registered trademark of American Bankers Association. CUSIP numbers are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Issuer does not make any representation with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity.

COUNTY OF GENESEE

G-4610 Beecher Road
Flint, Michigan 48532-2617
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DRAIN COMMISSIONER

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John F. O'Brien

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COUNTY CLERK

John J. Gleason

TREASURER

Deborah L. Cherry

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TRANSFER AGENT *The Huntington National Bank*

BOND COUNSEL *Miller, Canfield, Paddock and Stone, P.L.C*

FINANCIAL ADVISOR *Stauder, BARCH & ASSOCIATES, Inc*

No dealer, broker, salesman or other person has been authorized by the Issuer to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth in this Official Statement has been obtained from the Issuer and other sources which are believed to be reliable, including The Depository Trust Company with respect to the information contained under the heading BOOK-ENTRY ONLY SYSTEM, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Issuer. The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above or that the other information or opinions are correct as of any time subsequent to the date of this Official Statement. The Transfer Agent has not participated in the preparation of this Official Statement and assumes no responsibility for it.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and in Appendix H, "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY ISSUER. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement contains forward-looking statements, which can be identified by the use of the future tense or other forward-looking terms such as "may," "intend," "will," "expect," "anticipate," "plan," "management believes," "estimate," "continue," "should," "strategy," or "position" or the negatives of those terms or other variations of them or by comparable terminology. In particular, any statements express or implied, concerning future receipts of federal grants or the ability to generate cash flow to service indebtedness are forward-looking statements. Investors are cautioned that reliance on any of those forward-looking statements involves risks and uncertainties and that, although the Issuer's management believes that the assumptions on which those forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate. As a result, the forward-looking statements based on those assumptions also could be incorrect, and actual results may differ materially from any results indicated or suggested by those assumptions. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Official Statement should not be regarded as a representation by the Issuer or that its plans and objectives will be achieved. All forward-looking statements are expressly qualified by the cautionary statements contained in this paragraph. The Issuer undertakes no duty to update any forward-looking statements.

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OFFICIAL STATEMENT

COUNTY OF GENESEE STATE OF MICHIGAN

\$35,000,000

WATER SUPPLY SYSTEM REVENUE BONDS (LIMITED TAX GENERAL OBLIGATION) SERIES 2013

The purpose of this Official Statement, which includes the cover page and Appendices, is to furnish information in connection with the issuance and sale by the County of Genesee, State of Michigan (the "Issuer") of its Water Supply System Revenue Bonds (Limited Tax General Obligation), Series 2013 (the "Bonds") in the aggregate principal amount of \$35,000,000.

PURPOSE AND SECURITY

Pledge of Revenues

The Bonds are issued under the provisions of Act 94, Public Acts of Michigan, 1933, as amended, Act 342, Public Acts of Michigan, 1939, as amended ("Act 342"), and Ordinance Nos. 03-03, 03-05, 06-06, 12-03 and 13-01 (collectively, the "Ordinances") duly adopted by the Issuer. The Bonds are being issued for the purpose of paying a portion of the cost of acquiring and constructing improvements to the Issuer's Water Supply System (the "System") consisting of acquiring land adjacent to Lake Huron in Sanilac County, Michigan and constructing thereon an intake facility in the County of Sanilac (collectively, the "Project"). The Issuer intends for the Project to be made available to and used by the Karegnondi Water Authority ("KWA") as part of the water supply system to be established by KWA (the "KWA System") for the benefit of its member communities. KWA was incorporated in October, 2010 pursuant to Act 233, Public Acts of Michigan, 1955, as amended, by the Issuer, the County of Lapeer, the County of Sanilac, the City of Flint and the City of Lapeer. For a description of the proposed KWA System, see the heading KAREGNONDI WATER AUTHORITY herein.

The principal of and interest on the Bonds are payable primarily from the revenues of the System, after provision has been made for the reasonable and necessary expenses of administration, operation and maintenance of the System (the "Net Revenues"), and a statutory first lien on the Net Revenues is established by the Ordinances. The Bonds are equally secured and on a parity basis in all respects as to the Net Revenues of the System with the Issuer's outstanding Water Supply System Revenue Bonds (Limited Tax General Obligation), Series 2003, Water Supply System Revenue Bonds (Limited Tax General Obligation), Series 2003B, Water Supply System Revenue Bonds (Limited Tax General Obligation), Series 2004 and Water Supply System Revenue Bonds (Limited Tax General Obligation), Series 2007 (collectively, the "Outstanding Bonds").

Rate Covenant

The Issuer has covenanted and agreed to fix and maintain at all times while any of the Bonds are outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the expenses of administration and operation of the System and such expenses for

maintenance of the System as are necessary to preserve the System in good repair and working order. In addition, the Issuer has covenanted and agreed to fix and maintain rates so that there shall be produced in each fiscal year Net Revenues in an amount not less than the aggregate principal and interest coming due on the Bonds and the Outstanding Bonds in each fiscal year.

No Bond Reserve Account

The Issuer has not established and will not maintain a bond reserve account to secure payment of the Bonds and the Outstanding Bonds.

Additional Bonds

The Issuer has reserved the right to issue additional bonds of equal standing and priority of lien as to the Net Revenues with the Bonds and the Outstanding Bonds, but only for the purposes and subject to the terms and conditions set forth in Section 20 of Ordinance No. 03-03, a copy of which is included in APPENDIX G.

System Information; Funds and Accounts

For a description of the System and certain statistical and summary financial information related to the operation of the System, see the heading GENESEE COUNTY MUNICIPAL WATER SYSTEM herein and APPENDIX C hereto. For a complete description of the funds and accounts of the System and the flow of funds, reference is made to the Ordinances attached hereto as APPENDIX G.

Pledge of Issuer Full Faith and Credit

As additional security for the payment of the principal of and interest on the Bonds, the Issuer has irrevocably pledged its full faith and credit for the prompt payment of the principal of and interest on the Bonds. Should the Net Revenues of the System at any time be insufficient to pay the principal of and interest on the Bonds when due, then the Issuer shall pay the amount of the insufficiency from its general funds as a first budget obligation. The Issuer is obligated, to the extent necessary, to levy ad valorem taxes on all taxable property in the boundaries of the Issuer for such purpose, subject to applicable constitutional and statutory limitations as to rate and amount.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

For additional information on the Issuer, see APPENDIX A and APPENDIX C hereto.

THE PROJECT

The Project consists of water supply system improvements involving the acquisition of a parcel of land adjacent to Lake Huron in Sanilac County and the acquisition and construction thereon of a raw water intake facility. The Issuer intends for the Project to be made available to and used by KWA as part of the KWA System for the benefit of its member communities.

ESTIMATED SOURCES AND USES OF FUNDS

Sources of Funds

Par amount of Bonds	\$35,000,000
Net Original Issue Premium/Discount	<u>657,341</u>
Total Sources	<u>\$35,657,341</u>

Use of Funds

Deposit to Construction Fund	\$35,118,672
Costs of Issuance (including Insurance Premium)	355,687
Underwriters' Discount	<u>182,982</u>
Total Uses	<u>\$35,657,341</u>

THE BONDS

The Bonds will be dated the date of delivery thereof, will bear interest at the rates and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement and will be subject to redemption prior to maturity as described below.

The Bonds will be issued as fully registered Bonds as described in APPENDIX F, BOOK-ENTRY-ONLY SYSTEM. Subject to the provisions for the book-entry system, the principal of and any redemption premium on the Bonds will be payable upon surrender thereof at the designated office of the Transfer Agent, and interest will be payable by check or draft mailed by the Transfer Agent to the registered owners of the Bonds as shown on the registration books of the Issuer maintained by the Transfer Agent as of the close of business on the fifteenth day of the calendar month preceding the month in which the interest payment is due. The Transfer Agent also may pay interest on Bonds by wire transfer or such other method as is acceptable to the Transfer Agent and the Bondholder to whom payment is being made.

PRIOR REDEMPTION OF BONDS

Optional Redemption

Bonds maturing in the years 2014 to 2022, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of Bonds in multiples of \$5,000 maturing in the year 2023 and thereafter shall be subject to redemption prior to maturity, at the option of the Issuer, in any order of maturity and by lot within any maturity, on any date on or after May 1, 2023, at par and accrued interest to the date fixed for redemption.

Mandatory Redemption of Term Bonds

The Bonds maturing in the year 2038 (the "Term Bonds") shall be subject to annual mandatory redemption on November 1 of the following years and in the following amounts, at par, plus accrued interest to the date of mandatory redemption.

<u>Redemption Dates</u>	<u>Principal Amounts</u>
November 1, 2034	\$1,945,000
November 1, 2035	\$2,050,000
November 1, 2036	\$2,160,000
November 1, 2037	\$2,275,000
November 1, 2038 (Maturity)	<u>\$2,400,000</u>
TOTAL	<u>\$10,830,000</u>

When Term Bonds are purchased by the Issuer and delivered to the Transfer Agent for cancellation or are redeemed in a manner other than by mandatory redemption, the principal amount of Term Bonds affected shall be reduced by the principal amount of the Term Bonds so purchased or redeemed in the order determined by the Issuer.

In case less than the full amount of an outstanding Bond is called for redemption, the Transfer Agent, upon presentation of the Bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new Bond in the principal amount of the portion of the original Bond not called for redemption.

Notice of redemption shall be given to the registered owner of any Bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A Bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem said Bond or portion thereof.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as Appendix H to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities

otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 1 World Financial Center, 27th Floor, 200 Liberty Street, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2013 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$485.8 million, \$9.2 million and \$476.6 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the

accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE."

**GENESEE COUNTY
MUNICIPAL WATER SUPPLY SYSTEM**

Water Supply System

The Issuer currently purchases water from the City of Flint, which in turn purchases water from the City of Detroit, through its Detroit Water and Sewerage Department ("DWSD"). The Issuer's payment to Flint is a flat rate of \$446,290 per month plus a commodity charge equal to the charge from Detroit to Flint for the water. For 2012 the commodity charge was \$1.246 per metered hundred cubic feet. The commodity charge went down starting July 1, 2012 by 6.7%, but is anticipated to increase at 6 to 8% per year in the future. The flat rate went up starting July 1, 2012 by \$124,035 and is also anticipated to increase at 6 to 8% per year in the future.

Wholesale or master meter customers are those customers that purchase the water in bulk at designated metered locations. The Issuer is not involved in the local operation and maintenance of the water distribution system.

Purchased Water from the City of Flint

<u>Year</u>	<u>Total (cu. ft.)</u>	<u>% Increase</u>	<u>Year</u>	<u>Total (cu. ft.)</u>	<u>%Increase</u>
2006	709,663,900		2010	616,632,200	0.05
2007	719,759,400	1.42	2011	621,182,300	0.74
2008	656,343,300	-8.81	2012	630,152,800	1.44
2009	616,325,400	-6.10			

Average - 1.88% per year

Billable Metered Water Volume

The Issuer's water charges are based on either community master meter readings or the summation of individual water meter readings within each community. Billable metered water volumes by community for 2011 and 2012 for the water supply district are given in Table 1.

Table 1
Water Supply District

<u>Community</u>	<u>2011</u> <u>(cu. ft.)</u>	<u>2012</u> <u>(cu. ft.)</u>	<u>Average %</u> <u>Increase Per</u> <u>Year (11-12)</u>
Burton City ¹	60,577,973	62,145,013	2.59%
Clio City ¹	9,063,800	8,916,600	-1.62%
Morris City ¹	11,257,800	11,276,200	0.16%
Swartz Creek City ¹	28,734,200	27,420,810	-4.57%
Montrose City ¹	6,093,500	6,105,500	0.20%
Flushing City ¹	27,988,300	27,741,300	-0.88%
Montrose Twp.	5,800,860	4,707,630	-18.85%
Vienna Twp.	13,436,826	12,698,830	-5.49%
Thetford Twp.	17,000	17,100	0.59%
Flushing Twp.	22,867,220	21,778,280	-4.76%
Mt. Morris Twp.	33,608,700	31,347,030	-6.73%
Genesee Twp. ¹	36,069,100	35,315,900	-2.09%
Richfield Twp.	8,260,510	6,239,880	-24.46%
Clayton Twp.	7,272,720	6,804,280	-6.44%
Flint Twp.	107,050,962	91,129,219	-14.87%
Davidson Twp.	41,696,344	37,408,010	-10.28%
Gaines Twp.	4,260,490	4,059,900	-4.71%
Mundy Twp.	25,851,918	22,909,853	-11.38%
Grand Bl. Twp. ¹	129,998,237	130,167,445	0.13%
Hydrants	<u>1,786,526</u>	<u>3,010,216</u>	68.50%
Total	<u>581,692,986</u>	<u>551,198,996</u>	<u>-2.25%</u>

¹ Master Meter

Water Purchased and Sold

The historical water loss is shown below with an average system loss of 5.56%. Water loss can be due to fire protection, water line breaks, illegal hook ups, and errors in billing. Water purchases are based on billable water plus 8% water loss.

Historical Water Purchased v. Sold

<u>Year</u>	<u>Water Purchased</u>	<u>Billable Water</u>	<u>% System Loss</u>
2007	719,759,400	668,814,441	7.08%
2008	656,343,300	643,936,714	1.89%
2009	616,325,400	594,736,958	3.50%
2010	616,632,200	585,092,058	5.11%
2011	621,182,300	572,717,934	7.80%
2012	630,152,800	579,781,667	7.99%

Operating Revenues and Expenses

The following table sets forth operating revenue and expense summaries for the System for the years ended 2010, 2011 and 2012, which information has been taken from the audited financial statements of the System for such years. See APPENDIX C hereto.

	2010	2011	2012
Operating Revenues	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>
Revenue from Rates	\$21,202,820	\$21,697,903	\$23,104,124
Water Meter Sales	65,757	64,662	46,694
Other Operating Revenue	<u>21,705</u>	<u>497,659</u>	<u>709,227</u>
Total Operating Revenues	<u>\$21,560,282</u>	<u>\$22,260,224</u>	<u>\$23,860,045</u>
Operating Expenses	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>
Cost of Water	\$10,835,456	\$12,947,738	\$11,779,406
Personnel Services	4,423,629	4,108,249	4,474,345
Contractual Services	394,893	273,867	1,026,699
Utilities	440,210	563,135	510,656
Repairs and Maintenance	410,699	623,712	459,761
Other Supplies and Expenses	254,988	183,585	255,244
Insurance Claims and Expenses	71,501	78,992	118,481
Depreciation	<u>1,782,129</u>	<u>1,782,145</u>	<u>1,849,811</u>
Total Operating Expenses	<u>\$18,613,505</u>	<u>\$20,561,423</u>	<u>\$20,474,403</u>

Water Rate Structure

Water for the System is measured by a meter or equivalent meters, installed and controlled by the Issuer. Charges for water service are made for water furnished based upon monthly and quarterly billings as set forth in the tables below. The Issuer charges a County Capital Improvement Fee (CCIF) for new connections to the water loop in the amount of \$1,000 per residential equivalent unit. The Issuer also charges for specific services.

The basis for customer charges is the monthly distribution of water per customer. Water bills are based on a Readiness to Serve (RTS) charge along with a commodity component due on actual usage. This cost recovery method provides a relatively consistent revenue base. In addition, each of the customer communities imposes rates and charges to recover the cost of local water utility services that they provide. As a result, each community on the System has diverse rates and charges in place which impact individual customers differently.

Where individual water meter readings are available, the readings are used as the basis for charges. The rates charged are based on the size of the individual water meters, plus the actual water consumption measured by the accumulation of these individual water meter readings. RTS charges start at \$14.59 per month for a 5/8" meter. Commodity charges are currently \$3.53 per 100 cubic feet, or \$4.72 per 1,000 gallons of water consumed.

Where community bulk water readings are available, the readings are used as the basis for charges. The rates charged are based on the number of equivalent meters for a community plus the actual water consumption measured at the community master meters. RTS charges are currently \$89.67 per equivalent meter. Commodity charges are currently \$3.53 per 100 cubic feet, or \$4.72 per 1,000 gallons of water consumed.

Individual Meters

Water Supply Minimum Charge Rates

<u>Meter Size (in)</u>	09/02/2012 - 09/01/2013	09/02/2013	01/02/2014
	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>
5/8	\$13.38	\$14.59	\$14.59
3/4	20.07	21.89	21.89
1	33.45	36.48	36.48
1-1/2	66.90	72.95	72.95
2	107.04	116.72	116.72
3	200.70	218.85	218.85
4	334.50	364.75	364.75
6	669.00	729.50	729.50
8	1,070.40	1,167.20	1,167.20
10	1,605.60	1,750.80	1,750.80
12	2,876.70	3,136.85	3,136.85

Indirect Rates

	09/02/2012 – 09/01/2013	09/02/2013 –	01/02/2014
<u>Meter Size (in)</u>	<u>Charge</u>	<u>Charge</u>	<u>Charge</u>
5/8	\$13.38	\$13.53	\$13.53
3/4	20.07	20.30	20.30
1	33.45	33.83	33.83
1-1/2	66.90	67.65	67.65
2	107.04	108.24	108.24
3	200.70	202.95	202.95
4	334.50	338.25	338.25
6	669.00	676.50	676.50
8	1,070.40	1,082.40	1,082.40

	09/02/2012 – 09/01/2013	09/02/2013	01/02/2014
<u>Equivalent Meters</u>	<u>Charge/EM</u>	<u>Charge/EM</u>	<u>Charge/EM</u>
25	\$3,295.75	\$2,241.75	\$2,241.75
50	6,591.50	4,483.50	4,483.50
80	10,546.40	7,173.60	7,173.60
120	15,819.60	10,760.40	10,760.40
165	21,751.95	14,795.55	14,795.55
215	28,343.45	19,279.05	19,279.05
320	42,185.60	28,694.40	28,694.40

Commodity/Usage Charges

Rate Per 100 cubic feet of consumption

09/02/09 - 09/01/10	\$2.54
09/02/10 - 09/01/11	\$2.76
09/02/11 - 09/01/12	\$2.96
09/02/12 - 09/01/13	\$3.18
09/02/13 - 01/01/14	\$3.53
01/02/14	\$3.94

Ten Largest Customers

The majority of the customers of the System are communities, with individual customers primarily utilizing hydrants. See GENESEE COUNTY MUNICIPAL WATER SUPPLY - "Billable Metered Water Volume" herein. The ten largest customers for the year ended September 30, 2012 are as follows:

<u>Community</u>	<u>Cubic Ft.</u>	<u>% of Total System</u>
Grand Blanc Township	130,167,445	23.62%
Flint Township	91,129,219	16.53
City of Burton	62,145,013	11.27
Davison Township	37,408,010	6.79
Genesee Township	35,315,900	6.41
Mt. Morris Township	31,347,030	5.69
City of Flushing	27,741,300	5.03
City of Swartz Creek	27,420,810	4.97
Mundy Township	22,909,853	4.16
Flushing Township	21,778,280	3.95
TOTAL	487,362,860	88.42%

SYSTEM REVENUES (DEBT SERVICE COVERAGE)

\$35,000,000

**COUNTY OF GENESEE
STATE OF MICHIGAN**

**WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2013
(LIMITED TAX GENERAL OBLIGATION)**

Schedule of Projected Revenue Coverage over Debt

Bond Term 25 1 years
Bonds Dated 10/3/2013

	2011	2012
REVENUES		
Operating Revenue	\$22,260,224	\$23,860,045
Augment of Rate Increase	4,740,439	3,429,515
CCIF Revenue	249,600	595,025
Investment Income	21,315	28,348
	<u>\$27,271,578</u>	<u>\$27,912,933</u>
EXPENSES		
Operating Expenses	\$20,561,423	\$20,474,403
Depreciation	(1,782,145)	(1,849,811)
	<u>\$18,779,278</u>	<u>\$18,624,592</u>
NET REVENUE	\$ 8,492,300	\$ 9,288,341

Max Annual Principal & Interest Requirement \$5,754,984
Lesser of prior year and 2 year average \$8,890,321
Minimum Coverage 1.54
Minimum Coverage 1.10 x

Tax Year	Fiscal Year Ended 12/31	Total Existing Water Revenue Bonds	Interest Due May 1	Interest Due Nov 1	Interest Rate	Principal Due Nov 1	Total P&I	Total Proposed Water Revenue Bonds	Adjusted Net Revenue	Estimated Annual Debt Service Coverage
		\$39,890,000								
2012	2013	\$3,161,064	\$0	\$0	0.000%	\$0	\$0	\$3,161,064	\$8,890,321	2.81
2013	2014	3,158,776	996,804	862,619	2.000%	670,000	2,529,423	5,688,199	8,890,321	1.56
2014	2015	3,158,256	855,919	855,919	3.000%	815,000	2,526,838	5,685,094	8,890,321	1.56
2015	2016	3,153,696	843,694	843,694	3.000%	840,000	2,527,388	5,681,084	8,890,321	1.56
2016	2017	3,151,064	831,094	831,094	4.000%	865,000	2,527,188	5,678,251	8,890,321	1.57
2017	2018	3,154,318	813,794	813,794	4.000%	900,000	2,527,588	5,681,906	8,890,321	1.56
2018	2019	3,206,584	795,794	795,794	4.000%	935,000	2,526,588	5,733,171	8,890,321	1.55
2019	2020	3,214,371	777,094	777,094	5.000%	975,000	2,529,188	5,743,559	8,890,321	1.55
2020	2021	3,223,559	752,719	752,719	5.000%	1,020,000	2,525,438	5,748,996	8,890,321	1.55
2021	2022	3,225,546	727,219	727,219	5.000%	1,075,000	2,529,438	5,754,984	8,890,321	1.54
2022	2023	3,227,559	700,344	700,344	5.000%	1,125,000	2,525,688	5,753,246	8,890,321	1.55
2023	2024	3,225,471	672,219	672,219	5.000%	1,185,000	2,529,438	5,754,909	8,890,321	1.54
2024	2025	3,213,256	642,594	642,594	5.000%	1,240,000	2,525,188	5,738,444	8,890,321	1.55
2025	2026	3,206,419	611,594	611,594	5.250%	1,305,000	2,528,188	5,734,606	8,890,321	1.55
2026	2027	3,169,525	577,338	577,338	5.250%	1,375,000	2,529,675	5,699,200	8,890,321	1.56
2027	2028	3,078,919	541,244	541,244	5.250%	1,445,000	2,527,488	5,606,406	8,890,321	1.59
2028	2029	2,986,794	503,313	503,313	5.000%	1,520,000	2,526,625	5,513,419	8,890,321	1.61
2029	2030	2,888,313	465,313	465,313	5.000%	1,595,000	2,525,625	5,413,938	8,890,321	1.64
2030	2031	1,768,669	425,438	425,438	5.000%	1,675,000	2,525,875	4,294,544	8,890,321	2.07
2031	2032	1,659,713	383,563	383,563	5.125%	1,760,000	2,527,125	4,186,838	8,890,321	2.12
2032	2033	1,610,406	338,463	338,463	5.125%	1,850,000	2,526,925	4,137,331	8,890,321	2.15
2033	2034	0	291,056	291,056	5.375%	1,945,000	2,527,113	2,517,113	8,890,321	3.52
2034	2035	0	238,784	238,784	5.125%	2,050,000	2,527,569	2,527,569	8,890,321	3.52
2035	2036	0	183,691	183,691	5.375%	2,160,000	2,527,381	2,527,381	8,890,321	3.52
2036	2037	0	125,641	125,641	5.375%	2,275,000	2,526,381	2,526,381	8,890,321	3.52
2037	2038	0	64,500	64,500	5.375%	2,400,000	2,529,000	2,529,000	8,890,321	3.52
		<u>\$61,842,277</u>	<u>\$14,159,220</u>	<u>\$14,025,034</u>		<u>\$35,000,000</u>	<u>\$63,184,254</u>	<u>\$125,026,531</u>		

KAREGNONDI WATER AUTHORITY

KWA was established in October 2010 for the purpose of providing its member communities (the Issuer, the County of Lapeer, the County of Sanilac, the City of Flint ("Flint") and the City of Lapeer) with a new source of water. KWA will supply raw water for the three county area consisting of over 2,232 square miles and a population of over one half million residents. Each member will be responsible for providing finished or raw water to its local customers. The Issuer participated in the establishment of KWA in order to have a more reliable supply of water at rates that will ultimately be less than what would otherwise be payable to DWSD.

KWA will supply metered, untreated water to each contracting member. The actual cost for appurtenances and maintenance of KWA will be allocated based on water sold and each contracting member will be responsible for its proportional share of the cost. Each contracting member will be responsible for treating and distributing drinking water to its individual customers.

To supply water to its contracting members, KWA will be required to construct a lake intake on Lake Huron, approximately 65 miles of pipe from the intake plant to the City of Flint and 2 pump stations, one of which will be located near the intake facility. Such facilities collectively constitute the KWA System. The intake facility and the site therefor also constitute the Project that is being financed with the proceeds of the Bonds, and the Issuer intends for the Project to be made available to and used by KWA as part of the KWA System.

KWA has retained the services of the Genesee County Drain Commissioner, as County Agency of the Issuer under Act 342 (the "County Agency"), to administer the design and construction of the KWA System. On behalf of KWA, the County Agency has acquired 40 acres on Lake Huron for the intake plant and pump station and 40 acres in Lynn Township on the borders of Sanilac, St. Clair and Lapeer Counties for the second pump station. In anticipation of the construction of the KWA System, the County Agency has obtained a water withdrawal permit of up to 85 million gallons per day ("mgd") from Lake Huron. The lake intake is currently under construction, the County Agency having supervised the design of the facility and the receipt and award of construction bids for the facility. In addition, the County Agency has hired project managers which have to date secured the route of the pipe line, identified all environmental issues and prepared preliminary permits for the entire 65-mile route, and also has retained consulting firms to complete the design of the remaining KWA System facilities.

KWA currently has entered into two water purchase contracts (the "Water Purchase Contracts"), effective October 1, 2013: one with Flint to supply up to 18 mgd and one with the County Agency, on behalf of the Issuer, to supply 42 mgd. The charges to be paid by Flint and the Issuer in the Water Purchase Contracts are broken down into two distinct portions: an annual fixed or capital fee and an annual commodity or operations and maintenance fee. The Issuer expects to pay such charges from Revenues of the System as an operation and maintenance expense in the same manner that it presently pays Flint for water furnished by DWSD.

The size of the KWA System is based on the volume identified in the Water Purchase Contracts and any additional water purchase contracts entered into with additional parties, up to a maximum of 85 mgd, KWA's permit limit. Each contracting party will be responsible for the annual

fixed fee regardless of the amount of water taken. The other members of KWA have until October 16, 2013 to enter into a water purchase contract with KWA at the same rates set forth in the Water Purchase Contracts. It is not anticipated that other members of KWA will enter into water purchase contracts during this period. Members entering into water purchase contracts with KWA subsequent to such date will pay any incremental costs associated with accommodating their water purchase contracts.

The estimated construction costs for the KWA System, including the Project, are \$272,000,000 based on water contracts of 60 mgd. It is expected that KWA will enter into a contract with Flint and the Issuer under Act 233 (the "KWA Financing Contract") whereby KWA will agree to issue bonds (the "KWA Bonds") to finance the remaining facilities for the KWA System, presently estimated to be in an amount not to exceed \$237,000,000, in anticipation of payments to be made by Flint and the Issuer as provided therein. The KWA Financing Contract is contemplated in the Water Purchase Contracts and will set forth the manner in which the capital costs of the KWA System facilities will be allocated. Under the KWA Financing Contract, Flint and the Issuer are expected to be responsible for paying 34.2% and 65.8%, respectively, of the debt service on the KWA Bonds. This allocation takes into account and credits the Issuer for financing and being responsible for the payment of 100% of the costs of the Project. In addition, in the event and to the extent that Flint fails to pay its share of the debt service on the KWA Bonds, the Issuer will be responsible for making up the shortfall. Flint and the Issuer each expect to make such payments from the revenues to be derived from the users of their respective water supply systems, but each will pledge its limited tax full faith and credit to the making of such payments.

In order to provide finished water to its customers, Flint expects to utilize an existing water treatment plant, which is currently operating in a back-up role with a capacity of 36 mgd. Flint will be required to make an estimated \$8,000,000 in improvements to convert the plant from stand-by to fully operational. The County Agency will be required to build a new water treatment plant at an estimated cost of \$60,000,000 to provide finished water to the Issuer's customers. The County Agency has acquired 76 acres approximately 14 miles east of the City of Flint in Marathon Township in Lapeer County, which is expected to serve as the site of the Issuer's new water treatment plant. The new water treatment plant is expected to be constructed and fully operational on or before January 1, 2016, the date on which the KWA System is expected to be fully operational.

Currently, Flint and the Issuer through the County Agency receive finished water from the City of Detroit, through its Detroit Water and Sewerage Department ("DWSD"). In 2012, Flint and the Issuer combined for a total payment to DWSD of approximately \$25,000,000 in both fixed fee and commodity charges for an average water cost of \$22.72 per 1,000 cubic feet of water. Based upon the purchase of 16 mgd and an annual average flow of 12 mgd, Flint's estimated cost to produce finished water is \$14.02 per 1,000 cubic feet. The County Agency will purchase 42 mgd of capacity. With a current annual average day flow of 14 mgd, the Issuer's estimated cost per 1,000 cubic feet will be \$32.96. Based on current estimates, assuming an annual 5% increase in DWSD rates, the Issuer expects that its cost to produce finished water from the KWA System will be less than its cost to produce finished water from DWSD beginning 7 years after the commencement of operation of the KWA System.

It is expected that the design of the remaining facilities of the KWA System will be completed in late 2013 with bid dates in February, 2014 and construction to begin in May, 2014. The completion date for the KWA System has been set for January 1, 2016, at which time Flint and the County Agency expect to discontinue purchasing water from DWSD and begin purchasing water from KWA and producing their own water. It is expected that KWA will also contract with the County Agency for operation and maintenance of the KWA System.

BONDHOLDERS' RISKS

The following discussion of some of the risk factors associated with the Bonds is not, and is not intended to be, exhaustive, and such risks are not necessarily presented in the order of their magnitude.

This Official Statement does not describe all of the risks of an investment in the Bonds and the Underwriters disclaim any responsibility to advise prospective investors of such risks as they exist at the date of this Official Statement or as they change from time to time. Prospective investors should consult their own legal and tax advisors as to the risks associated with an investment in the Bonds and the suitability of investing in the Bonds in light of their particular circumstances. Prospective investors should be able to bear the risks relating to an investment in the Bonds and should carefully consider, among other factors, the matters described below.

Assumptions With Regard to Net Revenues

To estimate the Net Revenues available to pay debt service on the Bonds, the Issuer has made certain assumptions with regard to the Net Revenues of the System. The Issuer believes these assumptions to be reasonable, but to the extent that the Net Revenues of the System are less than the assumptions, Net Revenues available to pay debt service on the Bonds may be less than those projected herein and may under certain circumstances, be less than those necessary to pay the principal of and interest on the Bonds when due. The assumptions are based on factors beyond the Issuer's control and there is no assurance that these projections will be achieved. Many factors may prevent the projections from being achieved. These include yearly changes in water consumption.

In addition, the Issuer's pledge of Net Revenues is shared on a parity basis with the Outstanding Bonds and any Additional Bonds authorized to be issued under the Ordinances. There can be no assurance that the Net Revenues will be sufficient to pay debt service on the Bonds.

Sufficiency of Net Revenues

Although it is expected that the Net Revenues will be available in sufficient amounts to pay debt service on the Bonds, there can be no assurance that the Net Revenues will be sufficient to pay debt service on the Bonds. Future economic and other factors may adversely affect the Issuer's revenues and expenses, and, consequently, its ability to meet its operating expenses. Among the factors that could have such adverse effects are population, population growth, household income, competitive facilities, accessibility, absorption, occupancy, vacancy and market penetration.

NO GUARANTEE CAN BE MADE THAT THE PROJECTIONS CONTAINED HEREIN WILL CORRESPOND WITH THE RESULTS ACTUALLY ACHIEVED IN THE FUTURE BECAUSE THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH THE ASSUMPTIONS MADE BY THE ISSUER IN FORMULATING THE PROJECTIONS. ACTUAL OPERATING RESULTS MAY BE AFFECTED BY MANY FACTORS, INCLUDING, BUT NOT LIMITED TO, INCREASED COSTS, LOWER THAN ANTICIPATED NET REVENUES, CHANGES IN EMPLOYEE RELATIONS, APPLICABLE GOVERNMENTAL REGULATION, ECONOMIC AND DEMOGRAPHIC TRENDS, AND COMPETITION.

Inability to Finance the Project; Project Completion Risk

As described under the heading KAREGNONDI WATER AUTHORITY, the Issuer intends for the Project to be made available and used by the KWA System, which in turn will supply raw water for the Issuer's System. If for any reason KWA is unable to acquire, construct, complete or place the KWA System in service, the Project will not be useful to the Issuer's System unless the Issuer constructs its own pipeline. At this time, it is unclear whether the Issuer would undertake constructing its own pipeline.

The rates and charges currently established by the Issuer are projected to be sufficient to pay the principal of and interest on the Bonds. However, if the KWA System is not placed in service, the additional costs associated with paying for the debt service on the Bonds without a tangible benefit to be derived from the Project could ultimately have an adverse effect on the Issuer's Net Revenues and its ability to pay debt service on the Bonds.

In order to provide customers for the KWA System, the County Agency and Flint have entered into the Water Purchase Contracts. The Issuer and Flint also expect to enter into the Financing Contract, under which they will be responsible for paying their respective share of the KWA Bonds to be issued to finance the costs of the remaining KWA System facilities (approximately \$237,000,000). The Issuer's share of the approximately \$237,000,000 will be the entire amount if Flint fails to fulfill its payment obligation under the Financing Contract for any reason. The Financing Contract is subject to a right of referendum by the respective electors of Flint and the Issuer. If a referendum prevents Financing Contract from becoming effective, it is unlikely that KWA could finance the remaining facilities intended to be part of the KWA System.

The Issuer faces potential exposure to its general fund and to the rates and charges to be paid by its water customers served by its System for the debt service associated with the Bonds and up to an estimated \$237,000,000 for the KWA Bonds if for any reason the remaining KWA System facilities are not completed. The remaining KWA System facilities could fail to be completed because of a referendum on the Financing Contract, an inability to gain market access for the financing for all or part of such facilities, cost overruns in construction, or acts of God.

The Issuer intends for its obligations with respect to the Bonds and the KWA Bonds to be paid for by rates and charges from the users of its System. If Flint fails to pay its share of the KWA Bonds, either from rates and charges to users of its water system or from its general fund, the Issuer

would be responsible for making up the shortfall. If the Issuer's general fund is needed to pay a significant portion of the KWA Bonds, it could cause significant financial strain on the Issuer.

As noted under the heading KAREGNONDI WATER AUTHORITY, in order for Flint to provide finished water to its customers, it needs to undertake approximately \$8,000,000 in improvements to its existing water treatment plant. If Flint is unable to timely complete such improvements for any reason (including without limitation, a referendum on the financing, an inability to gain market access for the financing for the improvements, cost overruns in construction, or acts of God), Flint may be unable to generate sufficient rates and charges from its customers to cover its share of the debt service on the KWA Bonds as provided in the Financing Contract. Without sufficient rates and charges, it is unclear whether Flint's general fund will have sufficient funds to fulfill its obligations under the Financing Contract, which in turn could strain the Issuer's general fund or the amount of rates and charges to be charged to the Issuer's customers.

Finally, similar to Flint, the Issuer needs to construct a water treatment plant at an estimated cost of \$60,000,000 as described under the heading KAREGNONDI WATER AUTHORITY in order to provide finished water to its customers. If the Issuer is unable to timely complete the new treatment plant for any reason (including without limitation, a referendum on the financing, an inability to gain market access for the financing, cost overruns in construction, or acts of God), the Issuer may be unable to generate sufficient rates and charges from its customers to cover its share of the debt service on the KWA Bonds as provided in the Financing Contract, which could strain the Issuer's general fund.

Financial Condition of the City of Flint for future KWA Obligations

Flint is currently operating under a State-appointed Emergency Manager under the Local Financial Stability and Choice Act, Act No. 436, Michigan Public Acts of 2012 ("Act 436"). If Flint's financial status were to deteriorate further, Flint's options to improve its fiscal health may be limited. The United States Bankruptcy Code, 11 U.S.C. Section 101, *et. seq.* (the "Bankruptcy Code") does not authorize municipalities to be subject to involuntary bankruptcy. Flint must be specifically authorized to be a debtor under chapter 9 of the Bankruptcy Code by State law or by a governmental officer or organization empowered by State law to authorize Flint to be a debtor under chapter 9 of the Bankruptcy Code. Act 436 provides such authorization after Flint first complies with certain requirements set forth therein. The effect of a Flint bankruptcy on its obligations to KWA is unknown at this time, including without limitation its obligations to continue to make payments to KWA under its Water Purchase Contract with KWA and under the KWA Financing Contract. If such obligations are modified for any reason, including a bankruptcy of Flint, the Issuer will be required to pay Flint's share of the debt service on the proposed KWA Bonds. Such payments could cause significant financial strain on the general fund of the Issuer and the Net Revenues of the System.

LITIGATION

Pending Litigation

The Issuer has no litigation pending or, to its knowledge, threatened, wherein an unfavorable decision, ruling or finding would adversely affect the issuance of the Bonds or materially affect the Issuer's ability to pay the principal of and interest on the Bonds.

Other Litigation

On December 28, 1998, in *Bolt v City of Lansing*, the Michigan Supreme Court decided that the City of Lansing's stormwater user fee, imposed to defray the capital costs of the City of Lansing's stormwater system, was an unconstitutional tax levied without the approval of the electors of the City of Lansing in violation of the Headlee Amendment to the Michigan Constitution. The Court articulated certain principles in reaching its decision which, if extended to all enterprise systems, could, in certain instances, result in a finding that fees charged to the users of such enterprise systems are taxes which may not be imposed without the approval of the electors of the municipality.

Although the *Bolt* opinion did not address user charges relating to enterprise systems generally, subsequent lower court decisions have applied the principles articulated in *Bolt* to other enterprise systems, including water supply systems. Because of the confusion caused by the language of the *Bolt* decision and subsequent lower court decisions, it is not possible to predict with certainty what impact, if any, *Bolt* and subsequent decisions would have on any legal challenge to the rates and charges imposed by the Issuer for use of the System.

TAX MATTERS

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, the interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that with respect to corporations (as defined for federal income tax purposes) such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that, under existing law, the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. Bond Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Bonds and the interest thereon.

The opinion on federal tax matters is based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Issuer contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excludable from gross income for federal income tax purposes. The Issuer has covenanted to take the actions required of it for the interest on the Bonds to be and to remain excludable from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. Bond Counsel's

opinion assumes the accuracy of the Issuer's certifications and representations and the continuing compliance with the Issuer's covenants. Noncompliance with these covenants by the Issuer may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the market prices of the Bonds.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to the excludability of interest on the Bonds from gross income for federal income tax purposes but is not a guarantee of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel cannot give and has not given any opinion or assurance about the effect of future changes in the Internal Revenue Code of 1986, as amended (the "Code"), the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion regarding any such consequences.

Tax Treatment of Accruals on Original Issue Discount Bonds

Under existing law, if the initial public offering price to the public (excluding bond houses and brokers) of a Bond is less than the stated redemption price of such Bonds at maturity, then such Bond is considered to have "original issue discount" equal to the difference between such initial offering price and the amount payable at maturity (such Bonds are referred to as "OID Bonds"). Such discount is treated as interest excludable from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of OID Bonds who purchase such OID Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such OID Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

All holders of the OID Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition of an OID Bond to the extent such loss is attributable to accrued original issue discount.

Amortizable Bond Premium

For federal income tax purposes, the excess of the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold over the amount payable at maturity thereof constitutes for the original purchasers of such Bonds (collectively, the "Original Premium Bonds") an amortizable bond premium. Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer's basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the "Premium Bonds"). Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

Market Discount

The "market discount rules" of the Code apply to the Bonds. Accordingly, holders acquiring their Bonds subsequent to the initial issuance of the Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid after March 31, 2007 on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing the Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding

would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

Future Developments

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds and, unless separately engaged, bond counsel is not obligated to defend the Issuer in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Issuer as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit.

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS TO THE CODE, IF ENACTED INTO LAW, WILL NOT CONTAIN PROPOSALS WHICH COULD CAUSE THE INTEREST ON THE BONDS TO BE SUBJECT DIRECTLY OR INDIRECTLY TO FEDERAL OR STATE OF MICHIGAN INCOME TAXATION, ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE BONDS, OR OTHERWISE PREVENT THE HOLDERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON. BOND COUNSEL EXPRESSES NO OPINION REGARDING ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

FURTHER, NO ASSURANCE CAN BE GIVEN THAT ANY ACTIONS OF THE INTERNAL REVENUE SERVICE, INCLUDING, BUT NOT LIMITED TO, SELECTION OF THE BONDS FOR AUDIT EXAMINATION, OR THE COURSE OR RESULT OF ANY EXAMINATION OF THE BONDS, OR OTHER BONDS WHICH PRESENT SIMILAR TAX ISSUES, WILL NOT AFFECT THE MARKET PRICE OF THE BONDS.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS, INCLUDING THE IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

QUALIFICATION BY THE MICHIGAN DEPARTMENT OF TREASURY

The Issuer has received a letter from the Department of Treasury of the State of Michigan stating that the Issuer is in material compliance with the criteria of the Revised Municipal Finance Act, Act No. 34, Public Acts of Michigan, 2001, as amended, for a municipality to be granted qualified status. The Issuer may therefore proceed to issue the Bonds without further approval from the Department of Treasury of the State of Michigan.

BOND COUNSEL'S RESPONSIBILITY

The fees of Miller, Canfield, Paddock and Stone, P.L.C. ("Bond Counsel") for services rendered in connection with its approving opinion are expected to be paid from Bond proceeds. Except to the extent necessary to issue its approving opinion as to the validity of the Bonds and tax matters relating to the Bonds and the interest thereon, and except as stated below, Bond Counsel has not been retained to examine or review, and has not examined or reviewed, any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

Bond Counsel has reviewed the statements in this Official Statement under the headings entitled "PURPOSE AND SECURITY," "THE BONDS," "PRIOR REDEMPTION OF BONDS," "TRANSFER OUTSIDE BOOK-ENTRY-ONLY SYSTEM," "TAX MATTERS," "QUALIFICATION BY THE MICHIGAN DEPARTMENT OF TREASURY," "BOND COUNSEL'S RESPONSIBILITY," and "CONTINUING DISCLOSURE" (first two paragraphs only). Bond Counsel has not been retained to review and has not reviewed any other portions of the Official Statement for accuracy or completeness, and has not made inquiry of any official or employee of the Issuer or any other person and has made no independent verification of such other portions hereof, and further has not expressed and will not express an opinion or belief as to any such other portions hereof.

CONTINUING DISCLOSURE

Prior to the delivery of the Bonds, the Issuer will execute a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the holders of the Bonds or Beneficial Owners to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis, and the other terms of the Undertaking are set forth in *APPENDIX D-FORM OF CONTINUING DISCLOSURE UNDERTAKING* to this Official Statement.

A failure by the Issuer to comply with the Undertaking will not constitute an event or default under the Ordinances authorizing the issuance of the Bonds and holders of the Bonds or Beneficial Owners are limited to the remedies described in the Undertaking.

The Issuer has recently discovered it had failed to comply with certain of its continuing disclosure obligations under previous undertakings entered into pursuant to the Rule with respect to annual information filings required for fiscal years 2008-2010. The Issuer was required to file this information within a period of time specified in each previous undertaking after the end of the fiscal year which ends on September 30. The filings were subsequently made for fiscal year 2008 in December 2010, for fiscal year 2009 in June 2010 and for fiscal year 2010 in December 2011 for the Issuer's sewer, water supply, capital improvement and general obligation bonds. The filings for

fiscal years 2008-2010 were subsequently made for the Issuer's building authority bonds on July 23, 2013. The Issuer has filed its annual audited financial statements for fiscal years 2011 and 2012 on a timely basis.

In addition, the Issuer failed to provide notice of certain underlying rating changes that occurred in 2010 affecting its sewer, water supply, building authority, capital improvement and general obligation bonds. The Issuer has subsequently filed notice of these rating changes and the current ratings on those bonds with a filing dated July 16, 2013. Furthermore, the Issuer failed to provide notice of certain insured rating downgrades affecting its sewer, water supply and building authority bonds, of which the Issuer was not separately notified by the relevant rating agencies, and which resulted from a series of widely reported downgrades of the applicable municipal bond insurer for those bonds. The Issuer has subsequently filed notice of these rating changes and the current ratings on those bonds with a filing dated July 16, 2013. The Issuer has taken steps to assure that it will comply with the Undertaking, including the annual filing requirements, in the future. The Issuer entered into an agreement in October, 2011 with Stauder, Barch & Associates, Inc. to serve as disclosure agent and assist the Issuer in completing all required filings on a timely basis.

A failure by the Issuer to comply with the Undertaking must be reported by the Issuer in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such failure may adversely affect the transferability and liquidity of the Bonds and their market price.

LEGAL OPINION

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Miller, Canfield, Paddock and Stone, P.L.C., attorneys of Detroit, Michigan, Bond Counsel. A copy of the opinion of Bond Counsel will be furnished with the Bonds, which opinion will be substantially in the form set forth in APPENDIX E.

FINANCIAL ADVISOR

Stauder, Barch & Associates, Inc., Ann Arbor, Michigan, (the "Financial Advisor") has been retained by the Issuer to provide certain financial advisory services including, among other things, preparation of portions of the deemed "final" Preliminary Official Statement and the final Official Statement (the "Official Statements"). The information contained in the Official Statements was prepared in part by the Financial Advisor and is based on information supplied by various officials from records, statements and reports required by various local county or state agencies of the State of Michigan in accordance with constitutional or statutory requirements.

To the best of the Financial Advisor's knowledge, all of the information contained in the Official Statements, which it assisted in preparing, while it may be summarized is (i) complete and accurate; (ii) does not contain any untrue statement of material fact; and (iii) does not omit any material fact, or make any statement which would be misleading in light of the circumstances under which these statements are being made. However, the Financial Advisor has not and will not

independently verify the completeness and accuracy of the information contained in the Official Statements.

The Financial Advisor's duties, responsibilities and fees arise solely from that as financial advisor to the Issuer and they have no secondary obligations or other responsibility. The Financial Advisor's fees are expected to be paid from Bond proceeds.

UNDERWRITING

The Bonds are being purchased by the Underwriters listed on the cover page of this Official Statement. The Underwriters have agreed, subject to certain conditions, to purchase all of the Bonds from the Issuer at an underwriters' discount of \$182,981.96 from the initial offering prices set forth in this Official Statement. The Underwriters are obligated to purchase all of the Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement with respect to the Bonds, the approval of certain legal matters by counsel and certain other conditions. The initial public offering prices of the Bonds may be changed from time to time by the Underwriters. The Bonds may be offered and sold by the Underwriters to certain dealers (including dealers depositing the Bonds in unit investment trusts, some of which may be managed by the Underwriters) and certain dealer banks and banks acting as agents at prices lower than the public offering prices set forth in this Official Statement.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of UBS Financial Services Inc. ("UBSFS") and Charles Schwab & Co., Inc. ("CS&Co.") for the retail distribution of certain securities offerings, at the original issue prices. Pursuant to each Dealer Agreement (if applicable to this transaction), each of UBSFS and CS&Co. will purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association ("WFBNA"). WFBNA, one of the underwriters of the Bonds, has entered into an agreement (the "Distribution Agreement") with its affiliate, Wells Fargo Advisors, LLC ("WFA"), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA also utilizes the distribution capabilities of its affiliates, Wells Fargo Securities, LLC ("WFSLLC") and Wells Fargo Institutional Securities, LLC ("WFIS"), for the distribution of municipal securities offerings, including the Bonds. In connection with utilizing the distribution capabilities of WFSLLC, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, WFIS, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage

activities. The Underwriters have, from time to time, and may in the future perform, various investment banking services for the Issuer for which it received or will receive customary fees and expenses.

In the ordinary course of its various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities may involve securities and instruments of the Issuer.

RATING

The Underwriters' obligations to purchase the Bonds is conditioned on the Bonds receiving a rating of "AA" from Standard & Poor's Ratings Service, a division of The McGraw-Hill Companies, Inc. ("S&P"). The assignment of such rating is conditioned upon the delivery by BAM of the Policy at the time of the delivery of the Bonds. In addition, Moody's Investors Service has assigned the Bonds an underlying rating of "A2," and S&P has assigned the Bonds an underlying rating of "A+." No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. Any explanation of the significance of each such rating may only be obtained from the rating agency. Generally, a rating agency bases its rating on such information and materials and on investigations, studies and assumptions by the rating agency. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of the rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

OTHER MATTERS

All information contained in this Official Statement is subject, in all respects, to the complete body of information contained in the original sources thereof. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

COUNTY OF GENESEE

By: /s/ Jeffrey Wright
Jeffrey Wright, Drain Commissioner

By: /s/ Keith Francis
Keith Francis, Controller

Byrne, Randall (Treasury)

From: Kristin Moore <kmoore@cityofflint.com>
Sent: Monday, January 04, 2016 2:03 PM
Subject: PRESS RELEASE: GENESEE COUNTY COMMISSIONERS DECLARE EMERGENCY

Kristin Moore
Public Relations Director, City of Flint
kmoore@cityofflint.com

FOR IMMEDIATE RELEASE

GENESEE COUNTY COMMISSIONERS DECLARE EMERGENCY

Flint, MI -- January 4, 2016 – During their first board meeting of the year, Monday morning, Genesee County Commissioners declared a state of emergency in Genesee County. The move a sign that county leaders support Flint Mayor Dr. Karen Weaver and her efforts to get resources and relief to the residents suffering from the ongoing water situation in the city.

Mayor Weaver declared a state of emergency in Flint last month to raise awareness about the severity of the problems surrounding the water situation that continues to effect residents. The problems a result of the man-made disaster caused by the city switching to the Flint River as a water source in 2014.

Following the board's vote today, Genesee County Commission Chairperson, Jaime Curtis said, "This is a state, man-made disaster and we're going to ask the state to fix their disaster. Curtis also said, "Genesee County is the fifth largest county in Michigan and we will not be ignored."

Mayor Weaver hopes the county's show of support will convince the Governor to provide the City of Flint with financial support to help leaders address immediate infrastructure needs. Those needs include more than \$45 million to replace every identified lead pipe in the city, reimbursement of the \$2 million spent to switch back to the Detroit Water Sewerage Department, \$6 million to help with the transfer to the Karegnondi pipeline and additional resources to support the city's Heath Initiative to assist affected adults and children in Flint who have consumed water contaminated with lead.

In an interview with media after the board's emergency declaration Mayor Weaver said, "It's a victory and a step in the right direction." The mayor plans to meet with Governor Snyder in Lansing Thursday of this week to discuss the state's response and next steps.

###

Workman, Wayne (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Tuesday, January 05, 2016 12:28 PM
To: Dempkowski, Angela (Treasury); Byrne, Randall (Treasury); Schafer, Suzanne K. (Treasury)
Subject: FW: State Treasurer's Flint Letter
Attachments: Weaver-Henderson Letter, 1-4-16.pdf

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Headen, Frederick (Treasury)
Sent: Tuesday, January 05, 2016 11:23 AM
To: Hollins, Harvey (GOV)
Cc: Saxton, Thomas (Treasury) ; Workman, Wayne (TREASURY)
Subject: State Treasurer's Flint Letter

Harvey:

Attached is a copy of the State Treasurer's letter responding to one recently received from the Flint Mayor and City Administrator. It will be posted in today's mail. Thanks.

Fred



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

January 4, 2016

Karen W. Weaver, Mayor
City of Flint
1101 S. Saginaw Street
Flint, Michigan 48502

Natasha L. Henderson, Administrator
City of Flint
1101 S. Saginaw Street
Flint, Michigan 48502

Dear Mayor Weaver and Ms. Henderson:

Thank you for your recent letter. Your letter requested financial assistance from the Department of Treasury to defray litigation-related expenses incurred by the City in defending *Shears v City of Flint*.

This Department will reimburse the City for 75 percent of *Shears* litigation-related expenses incurred by the City, including any such expenses incurred prior to the date of this letter, up to a maximum amount of \$300,000.00. Any *Shears* litigation-related expenses incurred by the City in excess of \$300,000.00 shall remain the sole obligation of the City.

The City Administrator must provide this Department within 45 days of receipt by the City original copies of *Shears* litigation-related invoices with any request for reimbursement. Requests for reimbursement must first be reviewed and approved in writing by the City's Chief Financial Officer. Any requests for reimbursement submitted to this Department should be directed to the attention of Randall Byrne, Manager of the Fiscal Responsibility Section, Bureau of Local Government Services.

I trust that this information will be of assistance. If I may be of further assistance, let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "N. A. Khouri".

N. A. Khouri
State Treasurer

cc: Wayne Workman, Deputy State Treasurer
Frederick Headen, Legal Advisor

Dempkowski, Angela (Treasury)

From: Workman, Wayne (TREASURY)
Sent: Tuesday, January 05, 2016 12:28 PM
To: Byrne, Randall (Treasury); Schafer, Suzanne K. (Treasury); Dempkowski, Angela (Treasury)
Subject: FW: State Treasurer's Flint Letter

FYI

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Headen, Frederick (Treasury)
Sent: Tuesday, January 05, 2016 12:20 PM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: State Treasurer's Flint Letter

Only U.S. mail at this point. But, I will e-mail a copy this afternoon to the Mayor and City Administrator.

On a related topic, I need to loop in Harvey on the proposed RTAB letter to Flint residents. Everyone (i.e., you, Wayne, Dave Murray) has signed off on the letter, but it was drafted before the Governor named Harvey as the point person for Flint issues.

From: Saxton, Thomas (Treasury)
Sent: Tuesday, January 05, 2016 11:49 AM
To: Headen, Frederick (Treasury) <HeadenF@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: State Treasurer's Flint Letter

Did we send an electronic version of the letter to the Mayor & Natasha ?
If not we should.

From: Headen, Frederick (Treasury)
Sent: Tuesday, January 05, 2016 11:23 AM
To: Hollins, Harvey (GOV) <hollinsh@michigan.gov>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: State Treasurer's Flint Letter

Harvey:

Attached is a copy of the State Treasurer's letter responding to one recently received from the Flint Mayor and City Administrator. It will be posted in today's mail. Thanks.

Fred



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

PROCLAMATION

DECLARATION OF EMERGENCY

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the state of Michigan in the Governor; and

WHEREAS, under the Emergency Management Act, Act No. 390 of the Public Acts of 1976, as amended, MCL 30.401 to 30.421, the Governor is responsible for coping with dangers to this state or the people of this state presented by a disaster or emergency or threat thereof, and may issue executive orders and proclamations, having the force and effect of law to implement the Act; and

WHEREAS, under Section 3 of the Emergency Management Act, 1976 Public Act 390, MCL 30.403, the Governor shall, by executive order or proclamation, declare a state of emergency if the Governor finds that an emergency has occurred or that the threat of an emergency exists; and

WHEREAS, on April 25, 2014 the City of Flint, Michigan switched from the Detroit water system to the Flint River as a water source, the harmful effects of untreated water struck the city's water infrastructure, causing leaching of lead into the water which caused damage to the water system and potential negative health impacts to the citizens; and

WHEREAS, the area affected includes parts of the City of Flint, within the County of Genesee; and

WHEREAS, the damaged water infrastructure and leaching of lead into the city's water caused damage to public and private water infrastructure, and has either caused or threatened to cause elevated blood lead levels, especially in the population of children and pregnant women, and causing a potential immediate threat to public health and safety and disrupting vital community services; and

WHEREAS, from October 1, 2015 to this date, the County of Genesee and the City of Flint have taken a number of actions to cope with the situation, including but not limited to, switching back to the Detroit water system on October 16th, declaring local states of emergency, activating the emergency response and recovery aspects of their emergency operations plan, marshaling

and distributing required resources on a city-wide level, and issuing emergency public information and bulletins; and

WHEREAS, local resources have been insufficient to address the situation, and additional assistance from voluntary organizations and the state is required to protect public health, safety, and property, and to lessen or avert the threat of more severe and long lasting impacts to the community;

NOW, THEREFORE, I, RICHARD D. SNYDER, Governor of the state of Michigan, pursuant to the Constitution of the state of Michigan and provisions of Act No. 390 of the Public Acts of 1976, as amended, do hereby proclaim that a state of emergency exists in the aforementioned county and municipality; and

FURTHER, the Emergency Management and Homeland Security Division of the Department of State Police shall coordinate and maximize all state efforts, and may call upon all state departments to utilize resources at their avail to assist in the emergency area pursuant to the Michigan Emergency Management Plan; and

FURTHER, termination of this emergency will occur at such time as the threats to public health, safety, and property caused by the emergency no longer exist and appropriate programs have been implemented to recover from the effects of this emergency, but in no case longer than February 1, 2016, unless extended as provided by Act No. 390.

Given under my hand and the
Great Seal of the State of Michigan this
5th day of January in the Year of Our
Lord, Two Thousand and Sixteen.



A handwritten signature in cursive script, reading 'Richard D. Snyder', written in dark ink.

RICHARD D. SNYDER
GOVERNOR

BY THE GOVERNOR:

A handwritten signature in cursive script, reading 'Gretchen Johnson', written in dark ink.

SECRETARY OF STATE

FILED WITH SECRETARY OF STATE

ON 1/5/16 AT 4:00pm



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

NICK A. KHOURI
STATE TREASURER

Flint Water Quality Chronology – January 2016

Pre-Emergency Manager Status: Prior to November 28, 2011

1. **March 16, 2011** – Public Act 4 of 2011 becomes effective repealing Public Act 72 of 1990.
2. **August 26, 2011** – Notification of preliminary review sent to Flint Mayor.
3. **August 29, 2011** – Treasury staff begins preliminary review of Flint's finances.
4. **September 12, 2011** – Treasurer sends preliminary review report sent to Governor indicating probable financial stress and recommends appointment of a review team.
5. **September 30, 2011** – Governor appoints a financial review team asking review team to produce a report within 30 days versus 60 days allowed by statute.
6. **October 5, 2011** – Review team begins its review of the City's finances.
7. **November 7, 2011** – The review team issues its report to the Governor finding a financial emergency in the City of Flint.
8. **November 8, 2011** – The Governor declares a financial emergency in the City of Flint.
9. **November 28, 2011** – The Governor appoints Michael Brown as the Emergency Financial Manager.

Emergency Manager Michael Brown: November 28, 2011 – August 8, 2012

1. **June 26, 2012** – Letter from Flint EM Mike Brown to DWSD for permission to begin blending Flint River water with treated water from DWSD. The letter indicates that the DEQ is supporting this option and its implementation would save the City between \$2M and \$3M annually.
2. **August 8, 2012** – Public Act 4 of 2011 is suspended while awaiting referendum vote on November 6, 2012. Public Act 72 of 1990 reinstated, which does not allow a former employee of the city to be an emergency financial manager. Michael Brown is required to step down.

Emergency Financial Manager/Emergency Manager Ed Kurtz: August 8, 2012 – July 4, 2013

3. **August 8, 2012** – ELB Order #2012-4, Appointment of Emergency Financial Manager, Edward J. Kurtz.
4. **September 20, 2012** – Letter from Flint EM Ed Kurtz to DWSD requesting written permission to implement the blending option. Approval is requested by October 1, 2012.
5. **October 31, 2012** – Analysis by the Flint Finance Director suggests that the annual cost to purchase water from DWSD will steadily increase to \$23M per year by fiscal year 2020.
6. **November 2012** – Treasury retains Tucker, Young, Jackson and Tull (TYJT) to evaluate the KWA proposal to the City of Flint.
7. **November 6, 2012** – Letter from Flint Emergency Manager Ed Kurtz to State Treasurer Dillon that a proposal from DWSD is expected but that the initial assessment is that switching to KWA is in the best interest of the City of Flint.
8. **January 11, 2013** – ELB Order #2013-2, Amending Contract of Emergency Financial Manager, Edward J. Kurtz.
9. **February 6, 2013** – TYJT issues a final report to Treasury on the comparison between Karegnondi Water Authority (KWA) and DWSD. Analysis suggests that the KWA option is the cheaper option for the City of Flint.
10. **March 2013** – DWSD contacts the City of Flint to begin direct negotiations on a contract extension. Multiple options are provided to the Flint Emergency Manager (EM) Ed Kurtz.
11. **March 25, 2013** – The Flint City Council endorses joining KWA.
12. **March 28, 2013** – Public Act 436 of 2012 becomes effective.
13. **April 11, 2013** – State Treasurer Andy Dillon authorizes Flint EM Ed Kurtz, pursuant to Section 12(3) of P.A. 436 of 2012, to enter into a contract with KWA if a final offer from DWSD is either not received for rejected in good faith based upon specific objections.
14. **April 15, 2013** – DWSD provides a best and final offer to the City of Flint. Analyses by Flint EM Ed Kurtz, the Department of Environmental Quality and Treasury's Office of Fiscal Responsibility independently conclude that the KWA option is cheaper for the City of Flint.
15. **April 16, 2013** – Flint EM Ed Kurtz informs the State Treasurer that the City will join KWA. This decision was officially announced May 1, 2013.
16. **April 17, 2013** – DWSD transmits a letter to Flint EM Ed Kurtz terminating service to the City of Flint, effective April 17, 2014.
17. **June 26, 2013** – Groundbreaking for the Karegnondi Water Authority begins. Flint also requests full time use of the Flint Water Treatment Plant with Flint River water as a source.

18. **June 28, 2013** – Financing Contract between the City of Flint and KWA is approved. Effective August 1, 2013. This document was signed by EM Mike Brown.

Emergency Manager Michael Brown: July 4, 2013 – October 8, 2013

19. **July 4, 2013** – Michael Brown appointed Emergency Manager under PA 436 of 2012.
20. **July 08, 2013** – The City retains Lockwood, Andrews & Newman engineering firm to get the City's water plant up and running while the KWA pipeline is built.

Emergency Manager Darnell Earley: October 8, 2013 – January 13, 2015

21. **October 8, 2013** – Darnell Earley appointed as Emergency Manager under PA 436 of 2012.
22. **February 19, 2014** – The KWA Board of Directors adopts Resolution 2014-01 and 2014-02, authorizing KWA to bond for water line construction on-behalf of the City of Flint.
23. **April 17, 2014** – Water service from DWSD officially ends. The City of Flint also conducts two separate public forums regarding the use of Flint River water, upgrades to the City's water system and the overall cost of the switch to KWA.
24. **April 25, 2014** – City conducts public event marking the transition to the use of Flint River water. DEQ information shows that transition complete by May 2015.
25. **January 2, 2015** – The City issues a press release stating the City water system exceeds the TTHM maximum contaminant level.
26. **January 9, 2015** – ELB Order #2015-1, Determination that Modification of Collective Bargaining Agreement Proposed by Emergency Manager Best Serves Interest of the Public (International Association of Firefighters Local 352)

Emergency Manager Gerald Ambrose: January 13, 2015 – April 29, 2015

27. **January 13, 2015** – Gerald Ambrose appointed Emergency Manager under PA 436 of 2012.
28. **March 3, 2015** – Flint EM Jerry Ambrose provides a memorandum to Deputy State Treasurer Wayne Workman stating that a reconnection to DWSD will cost the City \$10.1M/year and that water purchases could be as high as \$1M/month.
29. **March 12, 2015** – Veolia issues the final operational evaluation of the City's water system.
30. **April 29, 2015** – ELB Order #2015-2, Order of Approval of Emergency Loan, (\$7,000,000)

31. **April 29, 2015** – Financial emergency resolved. Gerald Ambrose vacates Emergency Manager position and Governor appoints a Receivership Transition Advisory Board.

Post Emergency Manager Status (Flint RTAB): April 29, 2015 - Present

32. **September 3, 2015** – MDEQ testing of the City's water shows TTHM levels are below the required action level.
33. **September 25, 2015** – Genesee County Health Department and the City of Flint issues a lead advisory for residents to be aware of lead levels in drinking water after hearing concerns from the medical community.
34. **October 16, 2015** – The City of Flint reconnects to Detroit Water.
35. **November 4, 2015** – The EPA issues its final report on high lead levels at three residences in the City.

Dempkowski, Angela (Treasury)

From: Workman, Wayne (TREASURY)
Sent: Tuesday, January 05, 2016 10:54 AM
To: Storberg, Ann Marie (TREASURY)
Cc: Connors, Paul (Treasury); Byrne, Randall (Treasury); Schafer, Suzanne K. (Treasury)
Subject: Re: Professional Liability claim

We can check but I bet Flint paid

Sent from my iPhone

On Jan 5, 2016, at 10:32 AM, Storberg, Ann Marie (TREASURY) <StorbergA@michigan.gov> wrote:

Wayne,

Who has paid the insurance premiums for Darnell when he was EM for Flint? Did all of the EM's have professional liability coverage? Paul and I were not sure if the premiums were paid by Treasury or by the municipality.

Thanks.

Ann

From: Connors, Paul (Treasury)
Sent: Tuesday, January 05, 2016 10:23 AM
To: Storberg, Ann Marie (TREASURY) <StorbergA@michigan.gov>
Subject: Fwd: Professional Liability claim

Sent from my iPhone

Begin forwarded message:

From: "Steven Smith" <Steven.Smith@Meadowbrook.com>
To: "douglas.gniewek@detroitk12.org" <douglas.gniewek@detroitk12.org>, "darnell.earley@detroitk12.org" <darnell.earley@detroitk12.org>
Cc: "John Clark" <jclark@gmhlaw.com>, "Dave N Sheeran" <Dave.Sheeran@Meadowbrook.com>, "Cathy Weil" <Cathy.Weil@Meadowbrook.com>, "Connors, Paul (Treasury)" <ConnorsP@michigan.gov>
Subject: FW: Professional Liability claim

Hi All;

We are still working towards procuring coverage on a go forward basis for professional liability. In the meantime we do need to take advantage of the extended reporting period (ERP) on the expiring policy. If you want to elect the ERP, which gives you an additional 12 months to report any incident that occurred during the policy period that expired on 12-18-2015 we need to act quickly. Attached is an invoice for that coverage.

Please let us know if you wish to take advantage

Thanks
Steve

From: Steven Smith
Sent: Friday, December 18, 2015 3:30 PM
To: 'Darnell Earley'
Cc: John Clark; Dave N Sheeran; Cathy Weil; 'ConnorsP@michigan.gov'
Subject: RE: Professional Liability claim

Darnell;

Attached is the policy that was requested. With respects to the renewal here is where we stand.

The current carrier ACE has non-renewed the first layer of coverage (initial \$1M) and the market is turning with respects to covering any prior acts before the renewal. The excess carrier Ironshore is also unwilling to renew the second layer (\$2M). Both have stated the Flint water situation is making them uncomfortable to continue offering coverage at any price. (You will have the option to purchase extended reporting which I will describe later in a paragraph below)

With the City of Flint making National headlines the marketplace is tightening up and unwilling to offer coverage with any prior acts. This means we cannot purchase a policy at this point that will cover any potential claim (act) that will provide coverage prior to 12/18/2015. We are searching the marketplace for a carrier that will consider writing a new policy going forward only. That will be the most cost effective way to go, albeit you will have potential exposure for a prior act. But remember it is our understanding that PA 436 (attached) affords protection for you if you are unable to procure a policy.

Our marketing was also delayed in this endeavor as during these efforts it came to our attention the current DPS broker, who we believe is AON, was searching for coverage thus blocking certain markets for us to approach. That further delays the process when two brokers are going to the same carriers. We do not know what the outcomes from that research yielded but it is preventing us from accessing those declinations or proposals. On top of this we do not know the parameters discussed with the carriers by the AON? Were they looking for prior acts or a policy just going forward? This could make a significant difference in what carriers will think or be willing to offer.

We would respectfully ask you to consider one broker to obtain the coverage for you as the insurance industry becomes muddled and slow with more than one broker going to the same carrier(s). Only one broker is going to get a proposal or declination and the other will have to ask for a release from you to obtain access to the carrier(s). We are comfortable with any decision you make as the ultimate goal is to get coverage for you.

With respects to the expiring policies they do provide for an extended reporting period of 12 months from the expiration date of 12/18/2015. The cost for the extended period is \$1,118 for the first layer (\$1 M) and \$4,100 for the second layer (\$2M). We would advise taking advantage of this option as it will give you another 12 months to present claims incurred prior to 12/18/2015, which would include time spent in Flint and

DPS. We have 30 days to decide whether to accept the offer for the extension. Just let us know.

We know this is last minute, but the delay in getting the renewal information, the complexity of the Flint issue and the current DPS broker blocking the markets hindered our ability to have quotes presented on a timely basis. Please let us know how you would like us to proceed as we are blocked at our other markets.

Regards,

Steve

From: Darnell Earley [<mailto:darnell.earley@detroitk12.org>]

Sent: Friday, December 18, 2015 10:13 AM

To: Steven Smith

Cc: John Clark; Dave N Sheeran

Subject: Re: Professional Liability claim

Thanks for the information Steve. I had asked for an electronic copy of the policy and current status given the recent email traffic regarding not only this issue but the renewal status as well. I continue to await that information. Thank you for your assistance with those matters as expeditiously as possible.

Darnell

Sent from my iPhone

On Dec 18, 2015, at 9:53 AM, Steven Smith <Steven.Smith@Meadowbrook.com> wrote:

Dear Darnell;

We have reviewed the policy for Professional Liability and the denial on the claim for Melisa Mays et al. The suit involved a number of families who are alleging that due to the toxic nature of the City of Flint water system they have suffered bodily injuries (i.e. high levels of copper and lead causing among other things, neurological and autoimmune disorders). Professional Liability policies are written to protect the insured from decisions that cause financial harm and not bodily injury or pollution arising from the decision. Bodily injury and pollution coverage are generally afforded under separate General Liability policies and/or a Pollution Liability policy.

The coverage under your professional policy has specific exclusions for decisions that cause alleged bodily injury or pollution. There is no alleged monetary loss due to the decision of converting the water system (increased monetary costs to the plaintiff's by switching the systems) from Detroit to Flint only that families have suffered alleged bodily injury or property damage due to pollutants in the system. We have calls into the City of Flint notifying them that they need to have their General Liability or Pollution policies respond to the allegations.

Your professional policy has responded to other claims that have been submitted with respects to decisions that have caused alleged financial harm.

We are available for further conversations on this matter

Regards,
Steve

Steven M. Smith, JD | Executive Vice President
[o] 248.204.8235 [c] 248.943.6315 [f] 248.485.6331
26255 American Drive, Southfield MI 48034

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<Invoice ERP121815.pdf>

Schafer, Suzanne K. (Treasury)

From: Byrne, Randall (Treasury)
Sent: Tuesday, January 05, 2016 3:49 PM
To: Saxton, Thomas (Treasury)
Cc: Workman, Wayne (TREASURY); Schafer, Suzanne K. (Treasury)
Subject: RE: Flint water
Attachments: COA Kincaid v. Flint; SHEARS PRELIMINARY INJUNCTION 872015.docx

Tom:

These are the two rulings that I have.

Randy

From: Saxton, Thomas (Treasury)
Sent: Tuesday, January 05, 2016 2:24 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Cc: Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>
Subject: RE: Flint water

Can you send me the two rulings. Thanks

From: Byrne, Randall (Treasury)
Sent: Tuesday, January 05, 2016 1:21 PM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>
Subject: RE: Flint water

Tom

A Flint city attorney confirmed that it is Ordinance Section 46-52.1 date of April 15 by which the Finance Director shall calculate and transmit to the Mayor and City Council the new water rate schedules. Let me know if you need any further information.

Randy

From: Saxton, Thomas (Treasury)
Sent: Tuesday, January 05, 2016 10:54 AM
To: Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: Flint water

Did you guys go back to the court ruling to confirm whether the operative date re fee increases is April or Dec 31. It would be helpful if we could know that by the end of today.

Schafer, Suzanne K. (Treasury)

From: Vandegrift, Drew (TREASURY)
Sent: Monday, June 15, 2015 11:45 AM
To: Headen, Frederick (Treasury)
Cc: Koryzno, Edward (Treasury); Byrne, Randall (Treasury)
Subject: COA Kincaid v. Flint
Attachments: COA FLINT WATER 6.12.pdf

Hello Fred,

I am reviewing the latest COA opinion for Kincaid v. Flint. I am troubled by the court's holding that no EM actions taken under PA 4 "survive[d] the electors' referendum of that Act" (p8). What about the 19(1)(k) actions taken under PA 4?

Both Flint and Pontiac have enormous OPEB liabilities to honor if the 19(1)(k) actions are no longer effective.

--Drew

STATE OF MICHIGAN
COURT OF APPEALS

WILLIAM SCOTT KINCAID, ERAINA POOLE,
GEORGE POOLE, and MARY BELL,

Plaintiffs-Appellants,

v

CITY OF FLINT,
a municipal corporation.

Defendant-Appellee.

FOR PUBLICATION
June 11, 2015
9:10 a.m.

No. 318906
Genesee Circuit Court
LC No. 12-098490-CZ

Before: DONOFRIO, P.J., and BORRELLO and STEPHENS, JJ.

STEPHENS, J.

Plaintiffs, all residents of the defendant, appeal as of right the order of the circuit court granting defendant's motion for summary disposition and denying plaintiffs' motion to amend their complaint. We reverse and remand.

I. BACKGROUND

On August 15, 2011, the defendant's finance director, Michael Townsend sent a notice of a proposed 3.5% water and sewerage rate increase to be effective September 16, 2011, to the city council and mayor. The increase was proposed to meet a projected fiscal year deficit in the water fund of \$14,789,666 as well as a sewer fund deficit of \$8,078,917. Council adopted the proposal and the mayor signed it.

Shortly thereafter defendant was declared to be in a state of financial emergency.¹ On November 28, 2011, Governor Rick Snyder appointed Michael Brown as the Emergency Manager (EM) of defendant under the Emergency Manager Law, Public Act 4 of 2011.² On

¹ MCL 141.1545, former MCL 141.1214 lists the four instances in which a financial emergency exists.

² Former MCL 141.1501 *et seq.*; At the time, former MCL 141.1515(4) provided the Governor with the authority to appoint an emergency manager:

May 5, 2012, after being informed by newly appointed finance director Gerald Ambrose of the financial disarray of the water and sewer funds for defendant, EM Brown created Emergency Order No. 31. Order No. 31 ratified and confirmed the water and sewer rates implemented under Townsend on September 16, 2011, and additionally raised water and sewer rates, 12.5% and 45%, respectively.

After the Emergency Order by Brown, plaintiffs in this suit filed a complaint seeking this Court's original jurisdiction pursuant to Const 1963, art 9, §§ 31-32. The claim of error in that case was that defendant violated the Headlee Amendment³. This Court dismissed plaintiffs' claims without a hearing, finding that the rate increases from September of 2011 and those set to take place in July of 2012 were "revisions of existing user fees that do not implicate the Headlee Amendment." Plaintiffs' claims not relating to the Headlee Amendment were dismissed for lack of original jurisdiction. *Kincaid v Flint*, unpublished order of the Court of Appeals, entered June 29, 2012 (Docket No. 310221), lv den 493 Mich 871 (2012).

After the case before this Court was dismissed, plaintiff filed the instant action. The essence of the case was a claim that the rate increases in September of 2011 were made contrary to city ordinances: § 46-52.1 and § 46-57 and that the defendant had illegally pooled the funds collected for the water and sewer fund and used them to pay general obligations not related to sewer or water expenses. Plaintiffs requested that the trial court certify a class action suit against defendant for all sewer and water customers of defendant, declare that the rate increases were an illegal tax under the Headlee Amendment, and cease the co-mingling funds. Additionally, plaintiffs requested monetary relief in the form of a refund of the illegally collected rates and for damages caused to defendant's residents that were left without water and sewer service.

In lieu of filing an answer, defendant moved the trial court to grant it summary disposition pursuant to MCR 2.116(C) (6), (7), and (8). However, before defendant's motion for summary disposition was heard, plaintiffs moved the trial court for leave to amend their complaint asking for leave to allege a violation of MCL 123.131(2), (3).⁴

Upon the confirmation of a finding of a financial emergency, the governor shall declare the local government in receivership and shall appoint an emergency manager to act for and in the place and stead of the governing body and the office of chief administrative officer of the local government.

³ Specifically, the Headlee Amendment to the state constitution provides standing to "[a]ny taxpayer of the state" to bring suit in this Court to enforce the tax provisions of §§ 25 to 31.

⁴ MCL 123.141(2), (3), states:

(2) The price charged by the city to its customers shall be at a rate which is based on the actual cost of service as determined under the utility basis of rate-making. This subsection shall not remove any minimum or maximum limits imposed contractually between the city and its wholesale customers during the remaining life of the contract. This subsection shall not apply to a water system

Defendant responded to plaintiffs' motion to amend their complaint by arguing that it should be denied as futile. On February 15, 2013, the trial court heard the two outstanding motions. On June 21, 2013, the trial court entered an opinion and order granting summary disposition in favor of defendant. On July 12, 2013, plaintiffs moved the trial court to reconsider its decision to which the court entered an order permitting defendant to respond to plaintiffs' motion for reconsideration. The court denied the motion on October 14, 2013. Plaintiffs now appeal the order granting defendant summary disposition.

During the pendency of this case in the trial court, Public Act 4 of 2011 was rejected by a majority of the electorate causing its repeal.⁵ One month later on December 26, 2012, the Legislature approved the Local Financial Stability and Choice Act, Public Act 436 of 2012,⁶ effective March 28, 2013.⁷ Many of the provisions of Public Act 436 of 2012 mirror those of Public Act 4 of 2011.

II. STANDARD OF REVIEW

The trial court ordered summary disposition under (C)(8) and the parties base their arguments on that subsection before this Court, but our review of the record shows that the trial court went beyond the pleadings in making its decision as did both parties in making their arguments. Plaintiffs' response to defendant's motion for summary disposition relied on 16 exhibits. Plaintiffs also moved for summary disposition themselves and cited exhibits outside the pleadings. The analysis of this case therefore will be done under MCR 2.116(C)(10). See *Cuddington v United Health Servs, Inc.*, 298 Mich App 264, 270; 826 NW2d 519 (2012)

that is not a contractual customer of another water department and that serves less than 1% of the population of the state. This subsection shall take effect with the first change in wholesale or retail rate by the city or its contractual customers following the effective date of this subsection. Any city that has not adjusted rates in conformity with this subsection by April 1, 1982 shall include in the next ensuing rate period an adjustment to increase or decrease rates to wholesale or retail customers, so that each class of customer pays rates which will yield the same estimated amount of revenue as if the rate adjustment had been retroactive to April 1, 1982. A city that is subject to section 5e of Act No. 279 of the Public Acts of 1909, being section 117.5e of the Michigan Compiled Laws, shall begin proceedings to determine rate changes pursuant to section 5e(b) of Act No. 279 of the Public Acts of 1909, being section 117.5e of the Michigan Compiled Laws.

(3) The retail rate charged to the inhabitants of a city, village, township, or authority which is a contractual customer as provided by subsection (2) shall not exceed the actual cost of providing the service.

⁵ The state board of canvassers certified the vote on November 26, 2012. Public Act 72 of 1990 came back into effect while the referendum on Public Act 4 of 2011 was pending.

⁶ MCL 141.1541 *et seq.*

⁷ Public Act 436 of 2012 repealed Public Act 72 of 1990, effective March 28, 2013.

(“[B]ecause the trial court considered documentary evidence beyond the pleadings, we construe the motion as having been granted pursuant to MCR 2.116(C)(10).”).

“This Court reviews decisions on motions for summary disposition de novo to determine if the moving party was entitled to judgment as a matter of law.” *Alcona Co v Wolverine Environmental Prod, Inc*, 233 Mich App 238, 245; 590 NW2d 586 (1998), lv den 461 Mich 854 (1999). A motion for summary disposition pursuant to MCR 2.116(C)(10) “tests the factual sufficiency of the complaint.” *Joseph v Auto Club Ins Assoc*, 491 Mich 200, 206; 815 NW2d 412 (2012), reh den 815 NW2d 491 (2012). “In evaluating a motion for summary disposition brought under this subsection, a trial court considers affidavits, pleadings, depositions, admissions, and other evidence submitted by the parties, MCR 2.116(G)(5), in the light most favorable to the party opposing the motion.” *Maiden v Rozwood*, 461 Mich 109, 120; 597 NW2d 817 (1999). Summary disposition is proper where there is no “genuine issue regarding any material fact.” *Id.* A party opposing a motion made pursuant to MCR 2.116(C)(10) has “the burden of showing that a genuine issue of disputed fact exists.” *Major v Auto Club Ins Assoc*, 185 Mich App 437, 440; 462 NW2d 771 (1990), lv den 437 Mich 923 (1991) (citations omitted). The opposing party may not rest upon mere allegations or denial in the pleadings, but must, by affidavit or other documentary evidence, set forth specific facts showing that there is a genuine issue for trial. *Id.* (citations omitted).

This Court also reviews issues of statutory interpretation de novo. *Allen v Bloomfield Hills Sch Dist*, 281 Mich App 49, 52; 760 NW2d 811 (2008).

When interpreting a statute, we follow the established rules of statutory construction, the foremost of which is to discern and give effect to the intent of the Legislature. The first step when interpreting a statute is to examine its plain language, which provides the most reliable evidence of [legislative] intent. If the language of a statute is clear and unambiguous, the statute must be enforced as written and no further judicial construction is permitted. When an ambiguity does indeed exist, we may go beyond the statutory text to ascertain legislative intent. Effect should be given to every phrase, clause, and word in the statute and, whenever possible, no word should be treated as surplusage or rendered nugatory. [*People v. Carrier*, ___ Mich App ___, ___ NW2d ___ (2015); slip op at 6-7 (citations and quotation marks omitted).].

III. CLAIMS OF ERROR

Plaintiffs’ claims of error are two: that water and sewer rate increases that occurred under Townsend in September 2011 were not authorized by Flint Ordinances and that EM Brown did not have the authority to ratify Townsend’s unauthorized increases and then further increase water and sewer rates in violation of the same ordinances.

A. ORDINANCE VIOLATIONS

The City of Flint Ordinances that plaintiffs claim were violated are:

Ordinance 46-52.1

(a) Every year the Director of Finance shall calculate and transmit on or before April 15, to the Mayor and City Council the new water rate schedules with a complete itemization of water system costs for all classes of customers as given in § 46-52, for the purpose of calculating all bills for the forthcoming 12 months beginning July 1 of that year. The new water rate schedules shall be published at least 30 days prior to the date of implementation.

(b) Water rates shall be reviewed annually and the water percentage index (WRI) as applied to the water rate schedules shall be limited to an adjustment of 8% in any year unless:

(1) Such an adjustment is necessary to provide for all costs of operation, maintenance, replacement and debt service of the water supply system; or

(2) Such an adjustment is necessary to comply with applicable provisions of the city's water supply revenue bond resolutions or ordinances.

and,

Ordinance 46-57.1

Every year the Director of Finance shall calculate and transmit on or before April 15, to the Mayor and City Council the new sewage rate schedules with a complete itemization of sewage system costs for all classes of customers as given in § 46-57, for the purpose of calculating all bills for the forthcoming 12 months beginning July 1 of that year. The new water rate schedules shall be published at least 30 days prior to the date of implementation.

Plaintiffs argue that the rate increases of September 2011 and those imposed by the EM failed to meet the notice and effective date requirements of the ordinances and exceeded the percentage of increase allowed under the ordinances. We agree in part.

The September 2011 35% water rate increase was in violation of Flint Ordinance 46-52.1 because it was not published and noticed at least 30 days prior to its implementation and went into effect almost immediately in September 2011 instead of being implemented over twelve months beginning on July 1 of the next fiscal year. The sewer rate increases were invalid for the same reasons under Ordinance 46-57.1. The sewer rates were not published and noticed 30 days prior to their implementation and were implemented soon after the finance director's recommendation instead of on July 1 of the next fiscal year.

Plaintiffs' argument that the increases also violated Ordinance 46-52.1 by increasing the water rates above 8% is not supported by the ordinance language. Ordinance 46-52.1 envisions that water rate increases be limited to an adjustment of 8%, but allows for uncapped increases in the event "the adjustment is necessary to provide for all costs of operation, maintenance,

replacement and debt service of the water supply system' or . . . to comply with applicable provisions of the city's water supply revenue bond resolutions and ordinances." The defendant's then finance director, Townsend, sent an August 2011 letter to Mayor Walling and City Council, providing justification for the amount of the increase. In that letter, Townsend stated that the water fund was operating at a \$3.21 million loss and that the city was not meeting its state bond requirements to operate with revenues greater than 125% of the amount of debt service of the bonds. Townsend explained that the rate increases would help cover the rate increases the city paid to Detroit and the Drinking Water Revolving Fund Bonds. This Court has no basis to find those statements invalid. While the notice, publication and implementation of the water and sewer rate increases were not authorized, the percentage of increase for the rates was not a violation of the ordinances.

Plaintiffs challenge the EM's rate increases under Order No. 31 on the same basis as they challenged the September 2011 increases. However, EM Brown's water and sewer rate increases of 12.5% and 45% respectively, did not violate Flint Ordinances 46-52.1 and 46-57.1. On May 5, 2012, EM Brown published notice of the increases and that they were to be effective July 1, 2012. The Order complied with the notice, publication and implementation provisions of 46-52.1 and 46-57.1. Plaintiffs again argue that any increase in water rates over 8% is not authorized under 46-52.1, but as discussed above, the language of the ordinance does not support that argument. The language of Order No. 31 established both of the excepted instances in 46-52.1 that allow for an increase in water rates greater than 8%. The Order explained that defendant was required under MCL 141.121⁸ to set sewer rates that were sufficient to cover the costs of operating the water and sewer systems and that Townsend's increase was insufficient to

⁸ MCL 141.121, the Revenue Bond Act of 1933, provides in pertinent part:

(1) Rates for services furnished by a public improvement shall be fixed before the issuance of the bonds. The rates shall be sufficient to provide for all the following:

(a) The payment of the expenses of administration and operation and the expenses for the maintenance of the public improvement as may be necessary to preserve the public improvement in good repair and working order.

(b) The payment of the interest on and the principal of bonds payable from the public improvements when the bonds become due and payable.

(c) The creation of any reserve for the bonds as required in the ordinance.

(d) Other expenditures and funds for the public improvement as the ordinance may require.

(2) The rates shall be fixed and revised by the governing body of the borrower so as to produce the amount described in subsection (1). The borrower shall covenant and agree in the ordinance authorizing the issuance of the bonds and on the face of each bond to maintain at all times the rates for services furnished by the public improvement sufficient to provide for the amount described in subsection (1). Rates pledged for the payment of bonds that are fixed and established pursuant to a contract or lease shall not be subject to revision or change, except in the manner provided in the lease or contract.

meet defendant's obligation under state law. The Order stated that additional increases were necessary "to cover the costs of operating the water and sewer systems and pay outstanding bonded indebtedness on the water system."

B. RATIFICATION AUTHORITY OF THE EMERGENCY MANAGER

EM Brown not only increased water and sewer rates with the enactment of Order No. 31, but also purported to expressly ratify and confirm the September 16, 2011 rate increases. The issue of first impression for this Court is whether EM Brown was granted the authority to ratify the unauthorized acts of another public official. We conclude that the Legislature did not delegate the power to ratify to an emergency manager.

The EM is a creature of the Legislature with only the power and authority to do what is granted by statute. EM Brown derived his authority from the former Emergency Manager Law, PA 4 of 2011.⁹ That authority was not as broad as defendant argues. We do not agree with defendant that Public Act 436 of 2012, the successor statute to PA 4 of 2011, ratified all the actions of the EM taken under PA 4. MCL 141.1570(1)(a)-(e), states that "[a]ll of the following actions that occurred under the former 2011 PA 4" became effective under 2012 PA 436:

- (a) A determination by the state treasurer or superintendent of public instruction pursuant to a preliminary review of the existence of probable financial stress or a serious financial problem in a local government.
- (b) The appointment of a review team.
- (c) The findings and conclusion contained in a review team report submitted to the governor.
- (d) A determination by the governor of a financial emergency in a local government.
- (e) A confirmation by the governor of a financial emergency in a local government.

The actions taken by the state treasurer, the appointed review team and the governor remain effective and were not required to be re-approved with 2012 PA 436. Notably, actions taken by the EM are not included.

We also reject defendant's argument that an act of the EM is an act of the governor and that the EM derives power to ratify from the governor. Former MCL 141.1519(1)(dd) and (ee) state that an EM's authority is limited to the local level. An EM "[e]xercise[s] solely, for and on behalf of the local government," and "exercise[s] any power or authority of any officer, employee, department, board, commission, or other similar entity of the local government.

⁹ Former MCL 141.1501 *et seq.*

whether elected or appointed, relating to the operation of the local government.” MCL 141.1519(1)(dd), (ee). Thus, the EM acts in place of numerous persons, but they are all local government officials. Former 2011 PA 4¹⁰ and 2012 PA 436¹¹ each provides that the governor may delegate his duties to the treasurer. Notably, there is no similar provision regarding the delegation of any authority to the EM. Rather, the EM serves at the pleasure of the governor.¹²

The EM’s responsibilities and authority under former 2011 PA 4 are listed in former sections MCL 141.1515 through MCL 141.1530. Those provisions are similarly stated in sections MCL 141.1549 through MCL 141.1564 under 2012 PA 436. Of all the powers granted to the EM, ratification is not one of them. Ratification, in both the former 2011 PA 4 and 2012 PA 436, is explicitly granted to the actions of certain persons and entities. Under the former 2011 PA 4, “[a]ll proceedings and actions taken by the governor, the state treasurer, or a review team . . . are ratified and are enforceable as if the proceedings and actions were taken under this act, and a consent agreement entered into . . . is ratified and is binding and enforceable.” Former MCL 141.1512(6). 2012 PA 436 contains nearly identical language:

All proceedings and actions taken by the governor, the state treasurer, the superintendent of public instruction, the local emergency financial assistance loan board, or a review team under former 2011 PA 4, . . . are ratified and are enforceable as if the proceedings and actions were taken under this act, and a consent agreement entered into under former 2011 PA 4, . . . that was in effect immediately prior to the effective date of this act is ratified and is binding and enforceable under this act. [MCL 141.1544(6).]

The clear difference between 2011 PA 4 and 2012 PA 436 is that PA 436 adds “the superintendent of public instruction” and “the local emergency financial assistance loan board.” Neither PA 4 nor PA 436 ratifies actions taken by the EM. Further, the EM’s power to supersede local government authority does not extend to the state officers and entities listed above.¹³ Consequently, the Legislature did not grant the EM the power of ratification, nor did the actions of the EM taken under 2011 PA 4 survive the electors’ referendum of that Act.

Absent the power of ratification, defendant urges this Court to look elsewhere for the EM’s authority to approve the unauthorized 2011 water and sewer rate increases. Defendant

¹⁰ Former MCL 141.1515(10).

¹¹ MCL 141.1549(8).

¹² Former MCL 141.1515(5)(d); MCL 141.1549(3)(d).

¹³ The EM’s power is superior to and supersedes that of local government officials and entities. Former MCL 141.1519(1)(ee); MCL 141.1552(1)(ee). The EM does not usurp the authority of the superintendent of public instruction. See e.g. MCL 141.1554(c). The EM is not an appointed member of the financial assistance loan board or review team. Former MCL 141.1212; MCL 141.1544.

argues that the additional powers granted to an emergency manager in former MCL 141.1519¹⁴ authorized the EM to raise water and sewer rates notwithstanding the ordinances. Under that section,

An emergency manager may take 1 or more of the following additional actions with respect to a local government which is in receivership, notwithstanding any charter provision to the contrary:

(a) Analyze factors and circumstances contributing to the financial emergency of the local government and initiate steps to correct the condition.

We are not persuaded by this argument. MCL 141.1519 applies in the instance where the EM, after having analyzed the factors and circumstances contributing to the financial emergency, *initiates* some action to alleviate the emergency. In other words, some affirmative act is required of the EM. “The word ‘initiate’ is a synonym of the word ‘commence.’ ” *Fast Air, Inc. v. Knight*, 235 Mich App 541, 544; 599 NW2d 489 (1999) citing *Black’s Law Dictionary* (5th ed). In turn, the plain and ordinary meaning of the word commence is “to begin; start,” *The American Heritage Dictionary* (4th Ed 2006) and “begin” is defined as “to take the first step in performing an action.” *Id.*¹⁵ MCL 141.1519, then in effect, supported the 12.5% water and 45% sewer rates initiated by the EM after his appointment. Those increases were initiated after the EM was provided with information from his appointed finance director Gerald Ambrose of the operating losses of both the water and sewer systems and were implemented to correct those conditions. Although the EM had the authority to institute the change in rates notwithstanding any charter provision to the contrary under the former MCL 141.1519(1)(a), as discussed above, the increases complied with the notice, publication and implementation guidelines of city ordinances 46-52.1 and 46-57.1. MCL 141.1519(1)(a) however, does not support the action taken by the EM to expressly ratify and confirm the increases recommended by Townsend. In that instance, the EM did not “initiate” the steps to correct the condition by an affirmative act, but rather approved the steps already taken by someone else. Because the EM did not initiate those increases, MCL 141.1519(1)(a) does not apply.

In light of our analysis, we conclude that defendant violated its own ordinances, 46-52.1 and 46-57.1, by increasing water and sewer rates without first providing notice and publication to its residents thirty days prior and by not waiting to implement those rates until July 1 of the next fiscal year. We also conclude that Order No. 31 did not rectify the violations.

The trial court’s grant of summary disposition to defendant was premised on its understanding of the EM’s authority as broad, substantial and complete. Our decision today only highlights that authority for a closer look at the statutory boundaries of the EM’s power.

¹⁴ Now, MCL 141.1552.

¹⁵ See *SBC v J.T. Crawford, Inc.*, unpublished opinion per curiam of the Court of Appeals, issued November 27, 2007 (Docket No. 275334), p. 5.

Because we disagree with the trial court's conclusion that the EM had the authority to ratify, we reverse its order granting defendant summary disposition.

C. COMINGLING OF FUNDS

Next, this Court must consider whether the trial court properly summarily disposed of plaintiffs' claims regarding comingling of funds. Plaintiffs assert that defendant placed water and sewer rate fees from customers into a pooled cash account with other funds, used the water and sewer funds to pay general obligations of defendant in violation of the Revenue Bond Act of 1933, and that this practice led to a deficit in the water and sewer funds which precipitated the increases by Townsend and EM Brown. Plaintiffs' arguments rely entirely on the motion being granted pursuant to MCR 2.116(C)(8). Indeed, plaintiffs maintain that the trial court should not have considered the affidavit of Pamela Hill, a certified public accountant and auditor of defendant's financial statements, nor held it against plaintiffs for not providing any evidence to the contrary, because subrule (C)(8) requires the trial court to disregard evidence outside the pleadings. However, as has been discussed, this motion was granted pursuant to MCR 2.116(C)(10).

Plaintiffs argue that defendant illegally comingled funds. We find no merit to this claim. A party opposing a motion made pursuant to MCR 2.116(C)(10) has "the burden of showing that a genuine issue of disputed fact exists." *Major*, 185 Mich App at 440. The opposing party may not rest upon mere allegations or denials in the pleadings, but must, by affidavit or other documentary evidence, set forth specific facts showing that there is a genuine issue for trial. *Id.* (citations omitted). The record reveals that defendant provided evidence, in the form of an affidavit from Hill who was hired to audit municipalities, that defendant's accounting system was entirely legal and was used by several other municipalities. Plaintiffs assert that Hill's affidavit only evidences the practice of comingling without establishing the legality of the practice. While the trial court only mentioned the Hill affidavit in its order granting summary dismissal, it also had before it plaintiffs' exhibits in support of their response to defendant's motion for summary disposition which included an affidavit from city treasurer Douglas Bingaman. Bingaman's affidavit stated that the water and sewer funds were in a single pooled cash account, but that funds which state law required to be maintained separately were excluded. Further, that the "account is intended to have each City fund, including the water and sewer funds, end up paying only its own operating and other expenses." Bingaman's affidavit is evidence that defendant was following state law in regards to pooled cash accounts. It was also evidence that the water and sewer funds were not being used to pay the general obligations of defendant. Hill's affidavit averred knowledge of legal accounting practices that only certain accounts were excluded from being maintained in single pooled cash accounts and that water and sewer funds were not excluded. Hill further averred that, "each participating fund's share of the pooled cash account is accounted for," meaning that the water and sewer funds were also accounted for. In response, plaintiffs provided no evidence of defendant's accounting system being illegal. This Court's decision in *Major*, 185 Mich App 437, quite plainly requires plaintiffs to provide *some* evidence that there is a disputed issue of fact. This, plaintiffs did not do. As such, the trial court was required to determine that there was no genuine issue of material fact for trial, and properly granted summary disposition on this issue. *Id.*

III. MOTION TO AMEND

Plaintiffs last argue that it was error for the trial court to deny their request to amend their complaint. We agree.

“This Court reviews grants and denials of motions for leave to amend pleadings for an abuse of discretion.” *Hakari v Ski Brule Inc*, 230 Mich App 352, 355; 584 NW2d 345 (1998). “There are circumstances where a trial court must decide a matter and there will be no single correct outcome; rather, there may be more than one reasonable and principled outcome. The trial court abuses its discretion when its decision falls outside this range of principled outcomes.” *Pontiac Fire Fighters Union Local 376 v Pontiac*, 482 Mich 1, 8; 753 NW2d 595 (2008).

“A party may amend a pleading once as a matter of course within 14 days after being served with a responsive pleading by an adverse party.” MCR 2.118(A)(1). “Except as provided in subrule (A)(1), a party may amend a pleading only by leave of the court or by written consent of the adverse party. Leave shall be freely given when justice so requires.” MCR 2.118(A)(2). “Because a court should freely grant leave to amend a complaint when justice so requires, a motion to amend should ordinarily be denied only for particularized reasons.” *Wormsbacher v Phillip R Seaver Title Co*, 284 Mich App 1, 8; 772 NW2d 827 (2009), lv den 485 Mich 927 (2009). Those reasons include undue delay, bad faith or dilatory motive, repeated failure to cure deficiencies by amendment previously allowed, undue prejudice, or where amendment would be futile. *Miller v Chapman Contracting*, 477 Mich 102, 105; 730 NW2d 462 (2007). Further, MCR 2.116(I)(5) states that when the trial court summarily disposes of a case under subrules (C)(8), (C)(9), or (C)(10), the trial court “shall give the parties an opportunity to amend their pleadings as provided by MCR 2.118, unless the evidence then before the court shows that amendment would not be justified.”

The trial court’s reason for denying plaintiffs’ motion to amend their complaint was that the “proposed amended complaint is in conflict with this decision.” The fact that an amended complaint would present issues at odds with the trial court’s decision does not appear to be an accepted particularized reason. A court must specify its reasons for denying the motion; a failure to do so requires reversal, unless amendment would be futile. *Noyd v Claxton, Morgan, Flockhart & Vanliere*, 186 Mich.App 333, 340; 463 NW2d 268 (1990). Because we cannot discern on what basis the trial court denied plaintiffs’ motion to amend their complaint, we remand this issue to the trial court. On remand, the trial court is to consider the additional claims in plaintiffs’ proposed amended complaint and articulate its reasons for granting or denying the motion.

Reversed and remanded for proceedings consistent with this opinion. We do not retain jurisdiction.

/s/ Cynthia Diane Stephens
/s/ Pat M. Donofrio
/s/ Stephen L. Borrello

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF GENESEE

LARRY SHEARS AND MARGARET FRALICK, in their individual capacities,
and as class representatives of all other
similarly situated plaintiff class members.

JUDGE: Archie L. Hayman
P37516
CASE NUMBER: 14- 103476-CZ

PLAINTIFFS.

Vs.

DOUGLAS BINGAMAN, individually and in
His official capacity as Treasurer of the City of
Flint, **DARNELL EARLEY**, individually and
In his official capacity as Emergency Manager
Of the City of Flint, And, **THE CITY OF
FLINT, MICHIGAN**, a municipal corporation.

DEFENDANTS.

Valdemar L. Washington (P27165)
Attorney for Plaintiffs
718 Beach Street
P.O. Box 187
Flint, MI 48501-0187
810.407.6868

Peter M. Bade (P47546)
Anthony Chubb (P72608)
Attorneys for Defendant
1101 S. Saginaw St. 3rd Floor
Flint, MI 48502
810.766.7146

PRELIMINARY INJUNCTION

At a Session of Said Court
Held in the Courthouse
On the 7th Day of August, 2015

PRESENT HONORABLE ARCHIE L. HAYMAN, CIRCUIT COURT JUDGE

THIS MATTER, having come on to be heard by Plaintiffs' Motion for Issuance
of a Preliminary Injunction, the City of Flint having responded thereto, the Court having
read the same and taken testimony and received exhibits into evidence, in Open Court,
and being otherwise duly advised in the premises;

IT IS THEREFORE ORDERED AND ADJUDGED that Plaintiffs' Motion for Issuance of a Preliminary Injunction be and the same is hereby **GRANTED** for the reasons stated on the Record in Open Court, which include the following reasons:

1. The September 16, 2011 35% water and sewer rate increases, that have been collected by the City of Flint between September 16, 2011 and the date hereof, were not implemented in conformity with Flint City Ordinances 46 – 52.1 and 46 – 57.1.
2. The water readiness to serve charges that have been collected by the City of Flint from September 16, 2011 to the date hereof are not calculated nor authorized in accordance with Flint City Ordinance 46 – 52.
3. The July 1, 2012 12.5 % water rate increase and 45% sewer rate increase implemented by Emergency Manager Michael Brown under Public Act 4 of 2011 became void with the electors' referendum/rejection of Public Act 4 of 2011.
4. Following the rejection of Public Act 4 of 2011 there was no Order signed by any later Flint Emergency Manager that adopted or implemented the September 16, 2011 water and sewer rate increases and the July 1, 2012 water and sewer rate increases.
5. The liens placed against the real property of the City of Flint's delinquent water and sewer customers were due to delinquencies caused by the September 16, 2011 and July 1, 2012 water and sewer rate increases and the charging of the water readiness to serve charge from September 16, 2011 to the date hereof.

6. The City of Flint has disconnected the water service for its delinquent water and sewer customers due to their failure to pay delinquencies caused by charges related to the September 16, 2011, July 1, 2012, water and sewer rate increases, and water readiness to serve charges.

IT IS FURTHER ORDERED AND ADJUDGED that the City of Flint, its agents, employees, servants, attorneys, and those other persons in active concert or participation with it, be and the same are hereby **ENJOINED** from the following actions, until further Order of This Court:

1. Charging and collecting a water readiness to serve charge, also known as the water service charge from its water and sewer customers until it comes into compliance with Flint City Ordinance 46 – 52.
2. Charging and collecting water and sewer rates that include the September 16, 2011 35% rate increases.
3. Disconnecting the water service for its delinquent water and sewer customers wherein the delinquency arose between September 16, 2011 and the date hereof.
4. Placing any further liens against the real property of its delinquent water and sewer customers for delinquencies that occurred between September 16, 2011 and the date hereof.
5. Taking any monies from the Water Supply Fund, which include the water and sewer funds, and using those monies to pay general obligations.

IT IS FURTHER ORDERED AND ADJUDGED that no Security is required of Plaintiffs herein as this matter is in the public interest as the actions of the City of Flint that are being enjoined are actions that Defendant City of Flint has been engaged in since September 16, 2011, which violate its own Ordinances.

IT IS FURTHER ORDERED AND ADJUDGED that the parties are to meet and negotiate the repayment of 15.7 million dollars to the Sewer fund by the General Fund and are to return to this Court on November 13, 2015 if they are unable to reach agreement on the return of the 15.7 million dollars to the Sewer Fund.

The parties are to provide this Court with their proposals for repayment of the 15.7 million dollars to the Sewer fund, if they are unable to reach an agreement on the process of repayment of the 15.7 million dollars to the Sewer fund by the General Fund by October 31, 2015.

The City of Flint shall immediately establish funds for its water and sewer funds, also known as the Water Supply fund, that are in compliance with the Revenue Bond Act of 1933 as recited by the Court in open Court.

The Finance Department of Defendant City of Flint shall prepare a document/report that creates for this Court a history of the expenditures for the Sewer fund between 2007 and 2013 that reflects how those expenditures would have occurred if the 15.7 million dollars had not been transferred to the General Fund/Lawsuit Settlement Fund.

The issue of Emergency Manager Brown's July 1, 2012 12.5% water rate increase and 45% sewer rate increase is hereby preserved until the Court has reviewed the document/report prepared by the City of Flint's Finance Department.

IT IS FURTHER ORDERED AND ADJUDGED that the parties shall attend a
Pre-Trial Conference for this case to be held on November 13, 2015 at 12:00 PM.

IT IS SO ORDERED

ARCHIE L. HAYMAN, P37516
CIRCUIT COURT JUDGE
AUGUST 7, 2015

The above Order is Approved as to Form:

Anthony Chubb, P 72608
Deputy City Attorney

Prepared By:

Valdemar L. Washington
Attorney for Plaintiffs
718 Beach Street/ P.O. Box 187
Flint, MI 48501-0187
810.407.6868

Luepnitz, Ann (Treasury)

From: Luepnitz, Ann (Treasury)
Sent: Tuesday, January 05, 2016 5:50 PM
To: Hanses, Bruce (TREASURY)
Cc: Fielek, Joseph L. (Treasury); Saxton, Thomas (Treasury)
Subject: RE: S E O C Activation

Bruce,

I represent Treasury at the Flint water crisis briefing tomorrow morning at the SEOC. If you have any questions before 9:00 AM let me know.

Thanks,

Ann Luepnitz Manager
Facility, Mail, and Data Operations
Phone: 517-636-5335
Cell: 517-410-3275
Fax: 517-322-1631

From: Michigan State Police Alert Notification System [mailto:conf-1735095090@everbridge.net]
Sent: Tuesday, January 05, 2016 4:46 PM
To: Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov>
Subject: S E O C Activation
Importance: High

[Please click here to acknowledge receipt of this message](#)

The S E O C will be activated at 8 a.m. on Wednesday January 6, 2016 in response to the Flint water crisis and the Emergency Declaration made by Governor Snyder. An e mail was sent to all primary S E M C's this afternoon requesting your agency's participation in a mandatory briefing which will be conducted at the S E O C at 9 a.m. on Wednesday January 6, 2016. Please coordinate within your agency to assure that a representative will be at this briefing.

This message is from the Michigan State Police Alert Notification System and is For Official Use Only.

Flint
Weekly Phone Call
01/06/16

Present on call:

Mayor Weaver, (Flint)
N. Henderson (Flint)
Council President Nelson (Flint)
F. Headen (Treasury)
W. Lamphier (Treasury)
P. Dostine (Treasury)
E. Cline (Treasury)
A. Heimann (Treasury)

Not present:

R. Byrne (Treasury)

1. Water Update:

Governor has declared a state of emergency regarding Flint's water

- GIS Mapping/Scope of issue
 - Will be documenting all lines that are made of lead (likely) so that they can have an accurate scope of the issue, and better prioritize replacements when funding becomes available
 - Will also look at the age of the infrastructure
- Health Department will be adding a nutrition component to the State of Emergency declaration

Water rate

- According to the city, their water rates adjustment schedule is that the rates need to be determined by "April at some point" was not sure of the exact day in April
- Will be considering this after their audit is completed, but do intend to examine it.

KWA Connection

- *Temporary line may not be necessary, have been discussing a plan where "city and county would back up each other"*
 - This plan would solve the problem of not having to have the Flint River as a backup water supply
 - Will also be significantly more expensive than the original plan to create a temporary pipeline to the city that will go to waste afterwards

DPW Recruitment

- Have met with two recruiters, and will be going with "Joyce" from the MML
- Will be changing the proposal slightly for recruitment, the original proposal was too minimal, and the new proposal will be more expensive
- Could take 120 days to find a candidate, but the city is optimistic that it will happen sooner

Legal fees

- Treasury sent a letter notifying the city that they (the Treasury) will be paying 75% of legal fees associated with the Spears Kincaid lawsuit.
- City will start to send us invoices shortly

Corrosion control

- No issues with the corrosion control so far, have seen significant decreases in the quantity of lead in the water

2. Other issues**City Council Meetings - Had a City Council special meeting on the 30th and regular meeting on the 21st**

- Special meeting on the 30th of December
 - Judge wanted to City Council to approve a fund transfer from 2008
 - If the RTAB approves this action, the city believes that the judge will not force the city to transfer this money back

Question about PA 436 and Councilor Eric Mays

- City Council President Nelson wanted to know if the RTAB has the capacity to act on removing Councilor Mays considering he is going to be serving a prison sentence
- F. Headen suggested that this was a matter for the City Council to address, and suggested that most cities have a provision to remove a Councilor.
- The City then noted that they would explore that matter internally.

Follow-up questions from the RTAB

- RTAB member (not named) sent follow-up questions to N. Henderson that weren't returned
- N. Henderson had difficulty finding the questions in her email, but after getting them forwarded to her from E. Cline she suggested that all of these questions had been thoroughly addressed in materials that were already sent.
- She will be following up with the individual, and will send responses to her direct questions to all RTAB members so that everyone will have them.

Pleyte, Beth (Treasury)

From: Saxton, Thomas (Treasury)
Sent: Wednesday, January 06, 2016 12:37 PM
To: Steckelberg, Larry (TREASURY)
Subject: FW: URGENT - SEOC Activation

Fyi... let me know if you hear anything different from Randy

From: Luepnitz, Ann (Treasury)
Sent: Wednesday, January 06, 2016 12:30 PM
To: Fielek, Joseph L. (Treasury) <FIELEKJ@michigan.gov>; Hanes, Bruce (TREASURY) <HanesB@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Cc: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: RE: URGENT - SEOC Activation

All:

I attended the briefing at the SEOC regarding the Flint Water Crisis, Randy Byrne also attended. The briefing included a lot of details regarding actions already taken by the City, County, and State and to establish the resources necessary to move forward to get the issue fixed. MSP-EMHSD has taken the lead along with several other state agency EMC and PIO's, at this time Treasury is not part of the incident command plans but they will call on us if needed. After the meeting, Randy Byrnes informed me of the RTAB that is in place with the City of Flint and I shared with MSP, Chris Kelenske and Tony Katarsky, they appreciated having knowledge of the RTAB and feel that will work its daily course and not play at this time in the EM plan. If you have any questions let me know.

Ann Luepnitz Manager
Facility, Mail, and Data Operations
Phone: 517-636-5335
Cell: 517-410-3275
Fax: 517-322-1631

From: Fielek, Joseph L. (Treasury)
Sent: Tuesday, January 05, 2016 6:47 PM
To: Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov>
Cc: Hanes, Bruce (TREASURY) <HanesB@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: Re: URGENT - SEOC Activation

Ok thanks for the FYI. Give us an update after the meeting.

Sent from my iPhone

On Jan 5, 2016, at 6:02 PM, Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov> wrote:

Bruce,

FYI-Below is more information on SEOC briefing tomorrow for the Flint water crisis.

Ann Luepnitz Manager
Facility, Mail, and Data Operations
Phone: 517-636-5335
Cell: 517-410-3275
Fax: 517-322-1631

From: Katarsky, Anthony (MSP)

Sent: Tuesday, January 05, 2016 4:36 PM

To: Linda.Dintenfass2@redcross.org; Manning, Peter (AG) <ManningP@michigan.gov>; Bishop, Mark (MDCR) <BishopM3@michigan.gov>; Betterly, Steve (DHHS) <betterlys@michigan.gov>; Deacon, Brad (MDARD) <deaconb9@michigan.gov>; Travelbee, Brent (MDOC) <TravelbeeB@michigan.gov>; Burgess, Louis (MDE) <burgessl@michigan.gov>; Hagler, Gary (DNR) <HAGLERG@michigan.gov>; Lixey-Terrill, Jennifer (DHHS) <LixeyTerrillJ@michigan.gov>; Thelen, Richard (DHHS) <ThelenR4@michigan.gov>; Towne, Karen (LARA) <TowneK2@michigan.gov>; Deprez, Michael (LARA) <DeprezM@michigan.gov>; Badgero, William (MDOS) <badgerow@michigan.gov>; Doll, Jeanette (DTMB) <dollj@michigan.gov>; Phifer, Eileen (MDOT) <PhiferE@michigan.gov>; Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov>; Smith, Paul (GOV) <SmithP29@michigan.gov>; Kirby, Catherine (DIFS) <kirbyc@michigan.gov>; Alisha Clack <clack@michmab.com>; Vargovich, Carol (MCSC) <vargovichC@michigan.gov>; Kelly, David (MSP) <KellyD@michigan.gov>; Ort, John <ortj@courts.mi.gov>; chad.d.randall.mil@mail.mil; Maczko, James <James.Maczko@noaa.gov>; McDonough, John <wb8rcr@arri.net>; Feldpausch, Lynne (MEDC) <feldpauschl@michigan.org>

Cc: Simon, Terri (DHHS) <SimonT@michigan.gov>; Merrill, Debra (MDARD) <merrilld@michigan.gov>; paul.spata@redcross.org; Howd, Raymond (AG) <HowdR@michigan.gov>; Levy, Daniel (MDCR) <LevyD@michigan.gov>; Lardie, Keri (MCSC) <LardieK@michigan.gov>; Farmer, Michael V. (MDOC - Training) <Farmemv@michigan.gov>; Guerrant, Kyle (MDE) <GuerrantK@michigan.gov>; Wolf, Jennifer (DNR) <WOLFJ1@michigan.gov>; Weber, Travis (GOV) <WeberT7@michigan.gov>; Wahl, Kathy (DHHS) <WahlK@michigan.gov>; Wilson, Brian (DHHS) <WilsonB3@michigan.gov>; Morante, Teri (DIFS) <MoranteT@michigan.gov>; Gensler, Alesha (LARA) <GenslerA1@michigan.gov>; Wieber, Kevin (LARA) <WIEBERK@michigan.gov>; dkelley@michmab.com; acdonelld@courts.mi.gov; billy.g.beliew.mil@mail.mil; richard.pollman@noaa.gov; Wolf, Jennifer (DNR) <WOLFJ1@michigan.gov>; klipad@charter.net; Lienhart, Kevin (MDOS) <LienhartK1@michigan.gov>; Bolger, Matt (MSP) <BolgerM@michigan.gov>; Teri Martin (MEDC) <martint19@michigan.org>; McKee, Ryan (DTMB) <mckeer1@michigan.gov>; Vallier, Connie (MDOT) <VallierC@michigan.gov>; Poynter, Jacob (Treasury) <PoynterJ@michigan.gov>; Kelenske, Chris (MSP) <KelenskeC@michigan.gov>; Strobel, Pamela (MSP) <StrobelP1@michigan.gov>; Krsztian, George (DEQ) <krisztian@michigan.gov>; Burger, Penelope (MSP) <BurgerP@michigan.gov>; Covey, Gabriel (MSP) <coveyg@michigan.gov>; Galbreath, Wendy (MSP) <GalbreathW@michigan.gov>; Hampton, Jacqueline (MSP) <HamptonJ3@michigan.gov>; Leix, Ron (MSP) <LeixR@michigan.gov>; Porcello, James (MSP) <PorcelloJ@michigan.gov>; Reese, Jaqueline (MSP) <ReeseJ@michigan.gov>

Subject: URGENT - SEOC Activation

On January 4, 2016, Genesee County requested that a "State of Emergency/Disaster" be issued by Governor Snyder. Today, the Governor issued a State of Emergency declaration.

EMHSD will activate the SEOC tomorrow at 0800 and will conduct a briefing at 0900 on the event. All state agencies are to send a representative to the 0900 briefing. MDHHS and MDEQ have been directed to brief on the situation. Following initial SEOC briefings, each state agency, in consultation with the State Director, must determine if they need to play a role in ongoing SEOC operations to contribute to addressing the problem. At minimum, MDEQ, MDHHS, Education, DTED, DTMB, and MDARD should maintain a presence in the SEOC. The initial focus of the SEOC will be to:

- Identify and implement any needed protective actions to protect public health and safety;
- Develop situational awareness;

- Develop understanding of technical aspects;
- Coordinate damage assessment;
- Coordinate public information; and
- Identify programs to assist in remediating damage.

If you require anything in the interim, please contact me by email or cell (517-242-5371).

Anthony P. Katarsky
Assistant Division Commander
Michigan State Police
Emergency Management and Homeland Security Division
517-336-2686

Workman, Wayne (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Wednesday, January 06, 2016 2:41 PM
To: Khouri, Nick (TREASURY); Saxton, Thomas (Treasury)
Subject: RE: Flint Water Interagency Coordinating Committee - DRAFT EO - Review and response requested by COB today.

It is what Harvey mentioned the other day

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Khouri, Nick (TREASURY)
Sent: Wednesday, January 06, 2016 2:40 PM
To: Workman, Wayne (TREASURY) ; Saxton, Thomas (Treasury)
Subject: FW: Flint Water Interagency Coordinating Committee - DRAFT EO - Review and response requested by COB today.
Importance: High

Assume you guys have seen this

Looks ok to me

From: Smith, Paul (GOV) [<mailto:SmithP29@michigan.gov>]
Sent: Wednesday, January 06, 2016 1:32 PM
To: Etue, Kriste (MSP) <EtueK@michigan.gov>; Kelenske, Chris (MSP) <KelenskeC@michigan.gov>; Creagh, Keith (DEQ) <creaghk@michigan.gov>; Lyon, Nick (DHHS) <LyonN2@michigan.gov>; Becker, Timothy (DHHS) <beckert1@michigan.gov>; Zimmer, Mike (LARA) <zimmerm@michigan.gov>; Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Whiston, Brian (MDE) <WhistonB@michigan.gov>
Cc: Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Agen, Jarrod (GOV) <AgenJ@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Baird, Richard (GOV) <bairdr@michigan.gov>; Hollins, Harvey (GOV) <hollinsh@michigan.gov>; Redford, James (GOV) <RedfordJ@michigan.gov>; Arwood, Cheri (GOV) <ArwoodC@michigan.gov>
Subject: Flint Water Interagency Coordinating Committee - DRAFT EO - Review and response requested by COB today.
Importance: High

All,

Attached please find a **DRAFT** Executive Order that would establish the Flint Water Interagency Coordinating Committee. The goal of the executive order is to establish a coordinating committee that will allow state and local officials the opportunity to communicate and collaborate on both short-term and long-term response and recovery efforts to address the Flint water issues. The coordinating committee would be housed within MSP and chaired by Harvey Hollins and Captain Chris Kelenske of MSP (who leads state emergency response efforts). The impacted departments are MSP, DEQ, DHHS, LARA, Treasury, and MDE.

Please review and advise of any suggested edits, corrections or questions by C.O.B. today. You may share this with relevant staff, as necessary, but please maintain confidentiality as this document is only a draft.

Thank you,

Paul C. Smith
Deputy Legal Counsel
Office of the Governor – Legal Division

517.241.5598 (office)
517.512.0642 (cell)
smithp29@michigan.gov

EXECUTIVE ORDER

No. 2016 – xxx

**CREATION OF
FLINT WATER INTERAGENCY COORDINATING COMMITTEE**

MICHIGAN DEPARTMENT OF STATE POLICE

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the state of Michigan in the Governor; and

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units that he considers necessary for efficient administration; and

WHEREAS, municipal water in the City of Flint showed elevated lead levels after the City of Flint switched its water source to the Flint River causing the Governor to issue a proclamation declaring a state of emergency on January 5, 2016; and

WHEREAS, the Flint Water Advisory Task Force was formed as an independent advisory task force charged with reviewing actions regarding water use and testing in Flint; and

WHEREAS, the Flint Water Advisory Task Force has made an interim recommendation that the state government should coordinate a sustained, public-health focused response to remedy, to the fullest extent possible, the impacts on the Flint community; and

WHEREAS, multiple state departments and local authorities share the responsibility for ensuring the restoration of safe drinking water and the coordination of efforts to address the consequences resulting from the presence of elevated lead levels in drinking water; and

WHEREAS, restoring safe drinking water and addressing the consequences of elevated lead levels in drinking water will require collaboration and communication between state departments, local governments, and subject matter experts; and

WHEREAS, the establishment of a Flint Water Interagency Coordinating Committee within the Department of State Police will facilitate the collaboration and communication between state departments, local governments, and subject matter experts necessary to effectively coordinate a response and recovery effort;

NOW, THEREFORE, I, Richard D. Snyder, Governor of the state of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

I. CREATION OF THE FLINT WATER INTERAGENCY COORDINATING COMMITTEE

A. The Flint Water Interagency Coordinating Committee ("Coordinating Committee") is created as an advisory body within the Department of State Police (the "Department").

B. The Coordinating Committee shall be composed of the following sixteen members who shall serve an initial term expiring on December 31, 2018.

- The Director of Office of Urban Initiatives within the Executive Office of the Governor;
- The Deputy State Director of Emergency Management and Homeland Security within the Michigan Department of State Police;
- The Director of the Department of Environmental Quality, or his or her designee;
- The Director of the Department of Health and Human Services, or his or her designee;
- The Director of the Department of Licensing and Regulatory Affairs, or his or her designee;
- The State Treasurer, or his or her designee;
- The Superintendent of Public Instruction, or his or her designee;
- The elected Mayor of the City of Flint who shall be appointed to the Coordinating Committee by the Governor;
- Two additional representatives of the City of Flint who shall be submitted by the Mayor of the City of Flint and appointed to the Coordinating Committee by the Governor;
- Three representatives of Genesee County who shall be submitted by the Genesee County Board of Commissioners and appointed to the Coordinating Committee by the Governor;
- Three subject matter experts who shall be appointed to the Coordinating Committee by the Governor.

After the initial appointments, members of the Coordinating Committee appointed under this subsection shall serve terms of three years.

C. A vacancy on the Coordinating Committee occurring other than by expiration of a term shall be filled in the same manner as the original appointment for the balance of the unexpired term. A member may continue serving until his or her successor is appointed. A member may serve successive terms if reappointed.

II. CHARGE TO THE COORDINATING COMMITTEE

A. The Coordinating Committee shall act in an advisory capacity to the Governor and subject to the Governor's review and approval, shall do all of the following:

1. Create an incident action plan designed to assist state and local authorities in restoring safe drinking water to the residents of the City of Flint and addressing the consequences of elevated lead levels in drinking water.

2. Review recommendations made by the Flint Water Advisory Task Force and propose statutory, regulatory or contractual actions necessary for implementation of such recommendations.
3. Identify staff with competencies in emergency planning, operations, and finance as outlined under the National Incident Management System (NIMS) to work with the Coordinating Committee to track resource requests and document progress on the incident action plan.
4. Establish a standard process for sharing pertinent information between all members including use of the NIMS and Unified/Incident Command as appropriate.
5. Establish routine communications protocols at the local, executive and legislative levels as appropriate.
6. Establish a public information protocol to effectively inform the community.
7. Make recommendations for acceptable standards for potable water.
8. Make recommendations regarding the health impacts for the affected population.
9. Assess the status of infrastructure and determine feasible actions to upgrade the water system.
10. Establish subcommittees among its members to specifically address, at a minimum, each of the three following topic areas: Water Quality, Community Health, and Education.
11. Assist the Governor and the Department in implementing appropriate operations permitted under the Michigan Emergency Management Act or the federal Stafford Disaster Relief and Emergency Assistance Act, including local emergency operations plans and guides.
12. Explore any avenues of funding for response and recovery efforts including federal grants, legislative appropriations, and private partners.

B. The Coordinating Committee shall provide other information or advice as requested by the Governor or the Department.

III. OPERATIONS OF THE COORDINATING COMMITTEE

A. The Coordinating Committee shall be staffed and assisted by personnel from the Department as directed by the Department Director. Any budgeting, procurement, and related management functions of the Coordinating Committee shall be performed under the direction and supervision of the Department Director.

B. The Director of Office of Urban Initiatives within the Executive Office of the Governor and the Deputy State Director of Emergency Management and Homeland Security shall

together serve as the Statewide Coordinators responsible for the administrative functions of the Coordinating Committee.

C. The Coordinating Committee may utilize subcommittees and advisory panels composed of its members to assist in completing the functions of the Coordinating Committee. The Coordinating Committee may request public participation on advisory panels as the Coordinating Committee deems necessary.

D. When making recommendations to the Governor, a majority of the serving members of the Coordinating Committee must concur.

E. The Coordinating Committee shall meet at the call of either of the Statewide Coordinators and as may be provided in procedures adopted by the Coordinating Committee.

F. The Coordinating Committee may, as appropriate to perform its duties, make inquiries, conduct studies, consult with outside experts, and receive comments from the public.

G. Members of the Coordinating Committee shall serve without compensation but may receive reimbursement for necessary travel and expenses according to relevant statutes and the rules and procedures of the Civil Service Commission, and the Department of Technology, Management and Budget, subject to available funding.

H. The Coordinating Committee may accept donations of labor, services, or other items of value from any public or private agency or person. Any donations shall be expended in accordance with applicable laws, rules and procedures.

I. Members of the Coordinating Committee shall refer all legal, legislative, and media contacts to the Department.

J. A writing prepared, owned, used, in the possession of, or retained by the Coordinating Committee in the performance of an official function is subject to the Freedom of Information Act, 1976 PA 442, as amended, MCL 15.231 to 15.246.

IV. MISCELLANEOUS

A. All departments, committees, commissioners, or officers of this state or of any political subdivision of this state may give to the Coordinating Committee, or to any member or representative of the Coordinating Committee, any necessary assistance required by the Coordinating Committee, or any member or representative of the Coordinating Committee, in the performance of the duties of the Coordinating Committee so far as is compatible with its, his or her duties.

B. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected under this Order shall not abate by reason of the taking effect of this Order.

C. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order.

The Executive Order shall become effective upon filing.

Given under my hand and the Great Seal of
the state of Michigan this _____ day of
January, in the year of our Lord, Two
Thousand Sixteen

RICHARD D. SNYDER
GOVERNOR

BY THE GOVERNOR:

SECRETARY OF STATE

Robert, Carla M. (Treasury)

From: Smith, Paul (GOV) <SmithP29@michigan.gov>
Sent: Wednesday, January 06, 2016 4:20 PM
To: Hollins, Harvey (GOV)
Cc: Etue, Kriste (MSP); Kelenske, Chris (MSP); Creagh, Keith (DEQ); Lyon, Nick (DHHS); Becker, Timothy (DHHS); Zimmer, Mike (LARA); Khouri, Nick (TREASURY); Whiston, Brian (MDE); Muchmore, Dennis (GOV); Agen, Jarrod (GOV); Clement, Elizabeth (GOV); Baird, Richard (GOV); Redford, James (GOV); Arwood, Cheri (GOV)
Subject: RE: Flint Water Interagency Coordinating Committee - DRAFT EO - Review and response requested by COB today.
Attachments: Flint Water Interagency Coordinating Committee - Revised Draft.docx

Attached is a revised version incorporating Harvey's suggestion.

The relevant paragraphs now read:

WHEREAS, municipal water in the City of Flint showed elevated lead levels after the City of Flint switched its water source to the Flint River

WHEREAS, the County of Genesee and the City of Flint have taken actions to cope with the situation, including but not limited to, switching back to the Detroit water system on October 16th, declaring local states of emergency, activating the emergency response and recovery aspects of their emergency operations plan, marshaling and distributing required resources on a city-wide level, and issuing emergency public information and bulletins; and

WHEREAS, the Flint Water Advisory Task Force was formed as an independent advisory task force charged with reviewing actions regarding water use and testing in Flint; and

WHEREAS, the Flint Water Advisory Task Force has made an interim recommendation that the state government should coordinate a sustained, public-health focused response to remedy, to the fullest extent possible, the impacts on the Flint community; and

WHEREAS, on January 5, 2016, the Governor issued a proclamation declaring a state of emergency in the County of Genesee and the City of Flint; and

From: Hollins, Harvey (GOV)
Sent: Wednesday, January 06, 2016 3:06 PM
To: Smith, Paul (GOV) <SmithP29@michigan.gov>
Cc: Etue, Kriste (MSP) <EtueK@michigan.gov>; Kelenske, Chris (MSP) <KelenskeC@michigan.gov>; Creagh, Keith (DEQ) <creaghk@michigan.gov>; Lyon, Nick (DHHS) <LyonN2@michigan.gov>; Becker, Timothy (DHHS) <beckert1@michigan.gov>; Zimmer, Mike (LARA) <zimmerm@michigan.gov>; Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Whiston, Brian (MDE) <WhistonB@michigan.gov>; Muchmore, Dennis (GOV) <muchmored@michigan.gov>; Agen, Jarrod (GOV) <AgenJ@michigan.gov>; Clement, Elizabeth (GOV) <clemente@michigan.gov>; Baird, Richard (GOV) <bairdr@michigan.gov>; Redford, James (GOV) <RedfordJ@michigan.gov>; Arwood, Cheri (GOV) <ArwoodC@michigan.gov>
Subject: Re: Flint Water Interagency Coordinating Committee - DRAFT EO - Review and response requested by COB today.

The following whereas statement implies the Governor declared and emergency absent any actions from the locals.

"WHEREAS, municipal water in the City of Flint showed elevated lead levels after the City of Flint switched its water source to the Flint River causing the Governor to issue a proclamation declaring a state of emergency on January 5, 2016; and"

I suggest inserting some of the following language from the Governor's emergency declaration either in the whereas above or as a stand alone statement before this whereas:

"WHEREAS, from October 1, 2015 to this date, the County of Genesee and the City of Flint have taken a number of actions to cope with the situation, including but not limited to, switching back to the Detroit water system on October 16th, declaring local states of emergency, activating the emergency response and recovery aspects of their emergency operations plan, marshaling and distributing required resources on a city-wide level, and issuing emergency public information and bulletins; and"

Best,
Harvey

On Jan 6, 2016, at 1:32 PM, Smith, Paul (GOV) <SmithP29@michigan.gov> wrote:

All,

Attached please find a **DRAFT** Executive Order that would establish the Flint Water Interagency Coordinating Committee. The goal of the executive order is to establish a coordinating committee that will allow state and local officials the opportunity to communicate and collaborate on both short-term and long-term response and recovery efforts to address the Flint water issues. The coordinating committee would be housed within MSP and chaired by Harvey Hollins and Captain Chris Kelenske of MSP (who leads state emergency response efforts). The impacted departments are MSP, DEQ, DHHS, LARA, Treasury, and MDE.

Please review and advise of any suggested edits, corrections or questions by C.O.B. today. You may share this with relevant staff, as necessary, but please maintain confidentiality as this document is only a draft.

Thank you,

Paul C. Smith
Deputy Legal Counsel
Office of the Governor – Legal Division

517.241.5598 (office)
517.512.0642 (cell)
smithp29@michigan.gov

<Flint Water Interagency Coordinating Committee - DRAFT.docx>

Doyle, Maureen (Treasury)

Subject: RDS - Local Government Update

Location: Governor's Office, Romney

Start: Wed 1/6/2016 3:00 PM

End: Wed 1/6/2016 3:45 PM

Recurrence: (none)

Meeting Status: Accepted

Organizer: GovCalendar

Required Attendees: Agen, Jarrod (GOV); Clement, Elizabeth (GOV); Wisniewski, Wendy (GOV); Workman, Wayne (TREASURY); Dempkowski, Angela (Treasury); Pleyte, Beth (Treasury); Saxton, Thomas (Treasury); Doyle, Maureen (Treasury); Khouri, Nick (TREASURY)



Gov Memo Local Summary Local
Units - Schools... Units Schools D...



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: December 17, 2015
TO: Rick Snyder, Governor
FROM: Wayne Workman, Deputy State Treasurer
SUBJECT: Status of Financially Distressed Local Governments

DECEMBER

NOVEMBER

	Cities	Counties	Schools	Total	Cities	Counties	Schools	Total
Emergency Manager	1	0	3	4	1	0	3	4
Financial Review Commission	1	0	0	1	1	0	0	1
Receivership Transition Advisory Board	6	0	0	6	6	0	0	6
Consent Agreement	2	1	2	5	3	1	2	6
Neutral Evaluation	1	0	0	1	1	0	0	1

EMERGENCY MANAGER

Lincoln Park

Emergency Manager: Brad Coulter

Appointed: July 7, 2014

Exit: December 22, 2015

Recent Developments

- In FY15 the anticipated unassigned general fund balance was \$186,901. In FY14 the unassigned general fund balance was a negative \$1.0M.
- The police and fire pension millage failed 53% to 47%. The millage would have raised an additional \$3M annually.
- MERS recently notified the city that its pension ARC is increasing from last year's amount of \$2.2M to a current amount due of \$3.9M. EM Coulter believes the city can only pay \$3.16M. Treasury and the city are working with MERS to reach a resolution regarding annual contributions to the pension plan.

- The City Council hired a law firm to prepare a complaint against the pension funds' actuary. The city believes that the actuary did not properly advise the city regarding long-term financial sustainability of the pension system. The May 2015 actuarial analysis showed pension funding at 23% for Police and Fire and 20% for MERS. The city paid the required ARC each year, yet the funding levels were reduced to critical levels.
- A collective bargaining agreement with the Technical and Professional Office Workers Association of Michigan was approved by the Treasurer and became effective on November 1, 2015. The city eliminated retiree healthcare and reduced employee paid time off.

Significant Actions/Issues

- On August 10, 2015, the Lincoln Park Retiree Association filed suit against the state, Treasury, and the City of Lincoln Park regarding the reduction of city retiree healthcare.

FINANCIAL REVIEW COMMISSION (FRC)

Detroit

FRC Created: November 12, 2014

FRC Members: Nick Khouri, Bill Martin, Brenda Jones, Darrell Burks, John Roberts, Lorrion James, Mike Duggan, Stacy Fox, Tony Saunders

Recent Developments

- The city expects to record a larger than expected surplus for FY15. For FY16, the city currently projects a \$35M budget surplus.
- The FRC filed its second statutorily required biannual report on Detroit on November 24, 2015. The report detailed the FRC's activities to date and significant developments in the city's finances.
- The city's three police officers' unions have ratified amendments to their existing labor contracts to implement additional pay increases and other work rule changes. The additional cost is projected to be \$41M over 4 years (FY16 - FY19) and will be paid for with savings from lower Exit Financing debt service, reallocating budgeted police capital expenses to old bond proceeds, and the elimination of vacant police assistant positions no longer deemed needed.
- The city's EM Orders are subject to revision or rescission by the City Council beginning on December 10, 2015. The city has informed the FRC that the City Council has decided not to modify these EM Orders at this time.
- On December 3, 2015, the DWSD and the GLWA achieved bondholder consent to transfer DWSD debt to GLWA.
- Moody's issued a report on December 7, 2015 indicating Detroit's economic and fiscal health are stronger a year after bankruptcy. Moody's noted the city's ongoing recovery is necessary to meet the challenge in funding its pension obligations from the General Fund starting in FY24. Moody's current rating on Detroit is "B2".

Significant Action/Issues

- The city has started developing its FY17 - FY20 financial plan. This will be the first budget since the EM's departure that Mayor and City Council will develop.

RECEIVERSHIP TRANSITION ADVISORY BOARD (RTAB)

Allen Park

RTAB Appointed: September 26, 2014

RTAB Members: Suzanne Schafer, Fredrick Frank, Karen Barann, Mark Wollenweber, Scott Lites

Recent Developments

- In FY15 the anticipated unassigned general fund balance was \$5.8M. In FY14 the unassigned general fund balance was \$2.6M.
- Incumbent Mayor William Matakas defeated challenger Councilman Dennis Hays 62% to 38%.
- The road repair millage passed 52% to 48%. The millage will raise \$1.4M in the first year.
- The city closed the bond tender refinancing related to the prior movie studio transaction on November 19, 2015. S&P rated the bonds "BBB."

Significant Actions/Issues

- On September 22, 2015, the Michigan Court of Claims granted the state's motion to dismiss the lawsuit brought by retirees of the City of Allen Park who challenged changes made to their healthcare by the former EM. The retirees may appeal this decision.

Benton Harbor

RTAB Appointed: March 10, 2014

RTAB Members: Larry Steckelberg, Bret Witkowski, Marvin Raglon, Sharon Hunt

Recent Developments

- In FY15 the anticipated unassigned general fund balance was \$3.1M. In FY14 the unassigned general fund balance was \$2.2M.
- Mayoral challenger Marcus Muhammad defeated incumbent Mayor James Hightower 60% to 40%.
- Treasury has begun planning to reduce the RTAB's role.

Significant Actions/Issues

- The former Public Safety Director brought a lawsuit against the city and the former EM for wrongful termination.
- On August 3, 2015, the City Commission requested financial assistance from the Department of Treasury for legal fees and settlement costs associated with decisions made during the tenure of the EM.

Ecorse

RTAB Appointed: May 1, 2013

RTAB Members: Edward Koryzno, Robert Bovitz, Joan Brophy

Recent Developments

- In FY15 the anticipated unassigned general fund balance was \$2.7M. In FY14 the unassigned general fund balance was \$2.1M.
- Incumbent Mayor Lamar Tidwell defeated challenger John Miller Jr. 59% to 41%.
- On November 25, 2015, the City Administrator submitted a revised 5-year financial plan. Treasury is in the process of reviewing.

Significant Actions/Issues

- MERS pension contributions are anticipated to increase from \$1.8M in FY15 to \$2.4M in FY16 due to accelerated funding for closed plans.

Flint

RTAB Appointed: April 29, 2015

RTAB Members: Frederick Headen, David McGhee, Beverly Walker-Griffea, Robert McMahan

Recent Developments

- Mayoral challenger Karen Weaver defeated incumbent Mayor Dayne Walling 56% to 44%.
- The Regional Flint Mass Transportation Authority millage passed 72% to 28%.
- The City Attorney has resigned effective December 31, 2015. A new City Attorney, when appointed, will need to be confirmed by the RTAB.
- On November 13, 2015, a complaint was filed in the U.S. District Court against State officials, City of Flint officials, and the former EM for the decision to utilize the Flint River as a water source for residents.
- On November 16, 2015, a Notice of Intent to Sue was filed in the U.S. District Court against state and City of Flint officials for violating the federal Safe Drinking Water Act requirements.
- Mayor Weaver declared State of Emergency on December 14, 2015.
- On August 7, 2015, a Genesee County Circuit Court lawsuit, Shears vs. Flint, invalidated a previous 35% increase in water and sewer rates, reverting back to 2011 rates. This injunction also requires the city to repay \$15.7M from the General Fund to the Water Fund, prevents the city from collecting certain past due water bills, and from disconnecting water service for nonpayment. The city's appellate efforts to date have not been successful. The city has requested financial assistance related to the litigation regarding water issues.
- Kincaid vs. City of Flint litigation was held that the EM had no statutory authority to later ratify water and sewer rate increases from May of 2012. The city filed an appeal to the Michigan Supreme Court, but the Court did not address the appeal because the city missed the filing deadline by one day. The case has been remanded back to Genesee County Circuit Court to resolve outstanding matters.
- As a result of current review, the State Tax Commission notified the city it must maintain adequate assessment records. The city will be issuing an RFP for the reassessment of properties.

Significant Actions/Issues

- On September 11, 2015, Genesee County Circuit Court dismissed the Coalition for Clean Water vs. the City of Flint case to force the city to purchase water from the City of Detroit.
- The KWA pipeline is expected to be completed in June 2016. The pipeline is 80% complete, the two pump houses are 90% complete and the intake is completed.
- If the city loses a lawsuit over retiree healthcare, the EM's two-year budget does not assume an additional \$5M to \$6M projected annual expense.

Hamtramck

RTAB Appointed: December 18, 2014

RTAB Members: Deborah Roberts, Mark Stema, Karen Young, Albert Bogdan, Peter McInerney

Recent Developments

- In FY15 the anticipated unassigned general fund balance was \$3.3M. In FY14 the unassigned general fund balance was \$2.6M.
- The city has developed a long-term capital improvements plan.

Significant Actions/Issues

- A suit was filed in federal court by Hamtramck retirees over changes to healthcare benefits made in October 2014. The potential exposure to the city is currently unknown.
- The annual pension liability is anticipated to increase from \$3.5M in FY15 to \$4.3M by FY19. This increase is a result of closing certain pension plans and the MERS policy of accelerating the required contribution for closed plans. The increases were included in the EM's two-year budget.

Pontiac

RTAB Appointed: August 19, 2013

RTAB Members: Edward Koryzno, Keith Sawdon, Robert Burgess, (one appointment pending)

Recent Developments

- In FY15 the anticipated unassigned general fund balance was \$9.9M. In FY15 the unassigned general fund balance was \$4.3M.
- The city's former pension advisor Roy Dixon was sentenced to federal prison for bribery involving Pontiac pension board members.
- The Oakland County Circuit Court dismissed the lawsuit filed by the city against Ottawa Towers LLC/ Phoenix Center. Treasury is working with the city to move forward to resolve the litigation and assist with the sale to a private operator, which could free up \$2M in demolition funds.
- Treasury is working with the city on a plan to significantly reduce the role of the RTAB by spring of 2016.

Significant Actions/Issues

- A proposed mediation settlement between the city and the Pontiac Retired Employees Association, if approved, could fund pension and OPEB benefits for the GERS and the Police and Fire VEBA members, and resolve the lawsuit filed by the Association.

CONSENT AGREEMENT**Inkster**

Date Executed: February 20, 2012

Consent Agreement Consultant: Mark Stuhldreher

Recent Developments

- In FY15 the audited unassigned general fund balance was \$1.38M. In FY14 the general fund balance was a negative \$837,194.
- Byron Nolen was elected Mayor by defeating Walter Stargill Jr. 87% to 13%.
- The Parks and Recreation millage passed 72% to 28%. It will raise \$400K annually.

- The Senior Services millage passed 73% to 27%. It will raise \$200K annually.
- The Inkster Public Schools non-homestead millage passed 64% to 34%. It will raise \$750K the first year.
- On October 5, 2015, City Council approved an agreement with Wayne County regarding repayment of the \$4.9M sewer charges owed to the county through a millage levy and other resources.

River Rouge

Date Executed: December 15, 2009

Consent Agreement Consultant: N/A (PA 72)

Date Released: December 7, 2015

Recent Developments

- The city ended FY 15 with an operating surplus of \$1.77M.
- Standard and Poor's ratings services assigned an investment grade "A" rating for a recent \$5M refunding bond issue that the city undertook.

Royal Oak Township

Effective Date: April 21, 2014

Consent Agreement Consultant: Robert Burgess

Recent Developments

- In FY15 the anticipated unassigned general fund balance was \$267,405. In FY14 the unassigned general fund balance was \$154,092. The fiscal year ends December 31, 2015.
- The Township Board voted to extend the Consent Agreement Consultant's contract through March 31, 2016. A replacement will need to be identified.
- The township is exploring options for police services with neighboring jurisdictions, however the proposed costs are greater than what the township's police millage generates. The Michigan State Police have and continue to provide police services to the township.

Wayne County

Effective Date: August 21, 2015

Consent Agreement Consultant: Warren Evans

Recent Developments

- On November 15, 2015, the county submitted a revised cash flow forecast. The cash flow, excluding the Trust and Agency cash, projects a September 2016 balance of \$179M, which is \$36M less than the October 2015 projection.
- The quarterly financial report submitted by the county on October 15, 2015 projects an operating surplus of \$107M.
- The county indicated it has reached/imposed agreements with all collective bargaining units with the exception of the Circuit Court. The Circuit Court contracts do not expire until September 2016 and includes 77 members.
- Two lawsuits are currently pending a motion to dismiss: 1) AFSCME 3317 (sergeants and lieutenants) is a state case; and 2) AFSCME 25 (hearing and vision techs) is a federal case. Neither case prevents the county from carrying out its requirements under the Consent Agreement.

- On May 29, 2015, the Wayne County Circuit Court rendered a decision in favor of the Retirement System resulting in a \$49M judgement levy. The county paid \$10M of the judgment from available funds and placed \$39M on the tax roll. As of November 9, 2015, the county has collected \$29M of the amount levied.

Significant Actions/Issues

- The annual structural General Fund deficit is approximately \$53.4M prior to any of the proposed remedial actions. Those remedial actions include \$36.2M in changes to retiree healthcare, \$5.2M in changes to active employee healthcare, and \$12M in a combination of revenue increases and potential expenditure reductions.
- The county submitted documentation regarding the long-term solution for its jail. Reviews and discussion are ongoing with the county.

NEUTRAL EVALUATION

Highland Park

Financial Review Team Appointed: December 2, 2013

Financial Emergency Declared: January 30, 2014

PA 436 Option Selected: Neutral Evaluation

Recent Developments

- Mayoral challenger (and former Mayor) Hubert Yopp defeated incumbent Mayor DeAndre Windom 63% to 37%.
- The Highland Park Schools non-homestead millage passed 54% to 46%. It will raise \$1.5M the first year.
- A class action lawsuit dated November 6, 2015 has been filed against the city claiming Headlee Amendment violations for alleged overcharging for water and sewer services.
- The City Administrator reported that annual retiree OPEB costs were reduced from \$1.5M to \$250K, effective October 1, 2015.
- Hearings are being held in U.S. Federal Court regarding the judgement in favor of DWSD over the city's unpaid water bill.
- The city's water system is experiencing low water pressure. City officials are working with Wade Trim, Treasury, DEQ, and GLWA/DWSD to develop a plan to implement immediate repairs which are anticipated to increase water pressure. Treasury expects funding the project through continued grants and loans.

Cline, Richard (Treasury)

From: Natasha Henderson <nhenderson@cityofflint.com>
Sent: Wednesday, January 06, 2016 6:42 PM
To: Cline, Richard (Treasury)
Cc: Headen, Frederick (Treasury)
Subject: Re: FW: RTAB Questions from RTAB Meeting

Categories: Blue Category

Please see my responses to each item below. Should you need any further clarification or have any additional questions, please let me know.

1. The City Administrator in her email proposes using \$7,287,125 of Fund Balance in the water fund to offset the balance projected decrease in the revenue. The latest "budget to actual" report provided shows the Fund Balance in the water fund to be \$4,937,210. Will there be an amendment showing where the remaining \$2,349,915 will be taken from?

When the first quarter budget amendments were originally presented to Council the FYE 6/30/2015 fund balances for the water and sewer funds were \$4.9M and \$17.2M, respectively. These were unaudited year end projections as the City worked to close it's books and prepare for the auditors arrival. The City has historically looked at the combined total of the fund balances of both funds to determine the financial position of the system as a whole. I would note that, in light of the recent attention being paid to the City's compliance with the Revenue Bond act, the practice of reviewing the combined fund balances for financial position of the total system will not be followed in the future. This is especially important as new GASB statements governing the preparation of the City's financial statements continue to be issued requiring the City to report total pension liabilities for unfunded expenses.

With the changes in GASB reporting that require net pension liability to be reported for the first time, the water and sewer funds now carry unrestricted deficits for both funds. The funds maintain a positive total net position. Net pension liability is a long term liability that has always existed, however with the implementation of GASB 68 and 71 is shown on the face of the financial statements. I have been maintaining ongoing conversations with the City's auditors regarding the presentation of the net pension liability on the water and sewer fund unrestricted fund balances (also referred to as unrestricted net assets) and how to communicate that to the City's management, elected officials and public. These statements impact all units of government across the nation and have resulted in many of them, including Flint, reporting negative unrestricted balances for their enterprise funds. I have asked that the auditors be prepared to discuss this matter in more detail with the Council and RTAB.

I have summarized unrestricted net asset data below. The unrestricted net position has been adjusted to remove net pension liability in order to present a clearer indication of the City's current financial position and, therefore, its ability to respond to any change in financial circumstances (\$11.3M for water and \$22.8M for sewer). It would be from these assets that the City would be offsetting the shortfall in revenues to cover operating expenditures (shown as budgeted use of fund balance of \$7.3M for water and \$4M for sewer). The unrestricted net asset and net pension liability balances were taken directly from page 3-11 of the City's audited financial statements, which are now available online.

CITY OF FLINT

WATER AND SEWER FUND UNRESTRICTED NET POSITION ANALYSIS

	Budgeted Use of Fund Balance	Projected FYE 6/30/2015 Unrestricted Net Assets	Actual FYE 6/30/2015 Audited Unrestricted Net Assets	Add Back: Net Pension Liability	Unrestricted Net Position w/o Net Pension Liability
Water	(7,287,125)	4,937,210	(20,358,465)	31,703,314	11,344,849
Sewer	(3,975,246)	17,229,833	(14,158,340)	36,982,444	22,824,104
Total	(11,262,371)	22,167,043	(34,516,805)	68,685,758	34,168,953

2. The last budget to actual report provided to RTAB (Month Ended October 31, 2015) the 590 Sewer Fund shows a "YTD Balance" at 10/31/15 of \$2,480,146 in the "Charges for Services" line item. If I annualize this, the total would be \$7,440,438. The budget amendment of a \$5,941,475 reduction in that budget line item adjusts the total budgeted amount to be \$24,493,240. In what months from November 2015 through June 2016 will there be an acceleration of service for fee revenue that will allow us to achieve the amended budget?

Unfortunately, as a result of the Preliminary Injunction Order the process of moving delinquent balances off of customers accounts removed all of the billed revenue from the current year actual totals. This was necessary in order to identify accounts with delinquent balances outstanding on bills issued after the rates were reduced. The City's Utility Billing and Finance staff are working together to repost the actual billed revenue to the appropriate periods and move the revenue that was reduced to the appropriate allowance for doubtful accounts.

Stated another way, nearly \$11.6 million in delinquent balances were "set aside" in order to process shut off notices. In doing so, the utility billing department inadvertently reduced the current year billed revenue reported under "Charges for Services" on the RTAB report by the same amount. Adding this back and annualizing activity through 10/31/2015 to fiscal year end returns projections closely to those reflected by the amounts reflected in the first quarter budget amendment. It should be further noted that with the amendment to the preliminary injunction order, the City looks forward to recommending a third quarter budget amendment that will restore a portion of the projected revenue.

3. The same concern for the Water Fund as well.

See above.

Thanks,

Natasha L. Henderson, City Administrator
City of Flint, Michigan
1101 S. Saginaw St.
Flint, MI 48502
Email: nhenderson@cityofflint.com
Phone: (810) 237-2057
www.cityofflint.com

On Wed, Jan 6, 2016 at 10:03 AM, Cline, Richard (Treasury) <cliner1@michigan.gov> wrote:

For your review

Eric Cline | Department Manager | State of Michigan

Michigan Department of Treasury | Local Government Financial Services Division | Fiscal Responsibility Section

430 W. Allegan Street, 3rd Floor | Lansing, MI 48922

Lansing Office (517) 335-2078 | Cell Phone (517) 243-8450 | Traverse City Office (231) 922-5228

E-mail cliner1@michigan.gov

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From: Headen, Frederick (Treasury)
Sent: Friday, December 18, 2015 11:48 AM
To: Natasha Henderson <nhenderson@cityofflint.com>; Cline, Richard (Treasury) <cliner1@michigan.gov>
Cc: Karen Weaver <kweaver@cityofflint.com>
Subject: RE: RTAB Questions from RTAB Meeting

Natasha:

See the attached questions from Beverly Walker-Griffiea.

Sincerely,

Frederick Headen

Legal Advisor to the State Treasurer

From: Natasha Henderson [<mailto:nhenderson@cityofflint.com>]
Sent: Wednesday, December 16, 2015 5:56 PM
To: Cline, Richard (Treasury) <cliner1@michigan.gov>; Headen, Frederick (Treasury) <HeadenF@michigan.gov>
Cc: Karen Weaver <kweaver@cityofflint.com>
Subject: RTAB Questions from RTAB Meeting

On August 7, 2015 Genesee County District Court Judge Archie Hayman issued a Preliminary Injunction Order (the "Order") against the City. As a result of the Order, the City anticipated an immediate and devastating impact on the financial stability of the Water and Sewer Funds if a stay was not quickly granted by the Michigan Supreme Court Appellate Court. Indeed, the City's request was denied and the financial impact of the Court order has been reviewed through the fiscal year ending June 30, 2016.

Upon issuance of the Order, the City was immediately enjoined from charging and collecting water and sewer rates that include the September 16, 2011 35% rate increases and disconnecting water service for its delinquent water and sewer customers wherein the delinquency arose between September 16, 2011 and the date of the Order. This immediately resulted in a decrease in cash collections on outstanding and current water bills and a decrease in total billed revenue.

The following budget amendments reflect a decrease in revenue projections as a result of monthly billing activity for the period September 2015-June 2016. September billing reflected the reduced rates as ordered by the Preliminary Injunction and confirmed preliminary estimates with \$670,000 less in billed usage from the same period in 2014. The City has assumed an average decrease of \$616,148 in monthly billed revenue, or \$6,777,624 by fiscal year end (for 11 months of billing).

The City had total accounts receivable due of \$13,738,190 for all active and inactive accounts at August 7, 2015. It is highly probable that a large percentage of that balance will have to be written off as uncollectible without the ability to enforce payment. The proposed amendments reflect an estimated uncollectible balance at this time of \$8,340,823.

The City is working diligently to review the FY2016 operating budgets for additional sources of savings. Upon issuance of the Order, a spending and hiring freeze for all non-critical items was immediately implemented. The City has worked diligently to redevelop its capital improvement plan and has now canceled or postponed many planned projects and purchases until financial stability can be regained.

Changes to appropriations reflect the carry forward of projects in progress but not completed at June 30, 2015 for the Sewer and Water Funds of \$41,796 and \$1,456,922, respectively. This carry forward is largely offset by decreases to the City's capital improvement plan.

The City's emphasis at this time continues to be on providing safe, clean water to the City's residents and moving forward with preparations for the KWA pipeline to come online. As a result of this re-prioritization, the budget amendments reflect a reduction to budget capital improvements of \$5,564,804.

Sewer Fund

The Sewer Fund budget (590) reflects a decrease in projected revenue of \$6,741,475 and increase in Use of Fund balance of \$2,883,373. The Sewer Fund was paid in full by the 101 fund at the end of FY2015, therefore the budgeted payment of \$800,000 from the Public Improvement Fund must be removed. As noted previously, the decrease in Charges for Services of \$5,941,475 is a result of the combined impact of inability to enforce collections on balance prior to August 7 and decrease in billed revenue per Court ordered rate reductions.

The roll forward of incomplete FY2015 projects of \$41,796 is reflected by a corresponding decrease in cancelled and postponed capital improvement projects of \$3,899,898.

Water Fund

The Water Fund budget (591) reflects a decrease in projected revenue of \$8,560,824 and increase in Use of Fund balance of \$7,287,125. Again, as noted previously, the decrease in Charges for Services are a result of the combined impact of inability to enforce collections on balance prior to August 7 and decrease in billed revenue per Court ordered rate reductions.

The roll forward of incomplete FY2015 projects of \$1,456,922 is reflected by a corresponding decrease in cancelled and postponed capital improvement projects of \$1,664,906. The City had just begun its much need meter replacement program at the end of FY2015. A significant portion of the roll forward reflects outstanding purchase orders and invoices related to this project prior to the spending freeze. The reduction in FY2016 budgeted improvements reflects the reprioritization of the KWA project and postponement of other significant projects such as the Dupont Street Pipeline Project and Hamilton Dam Sheet Piling.

Thanks,

Natasha L. Henderson, City Administrator

City of Flint, Michigan

1101 S. Saginaw St.

Flint, MI 48502

Email: nhenderson@cityofflint.com

Phone: (810) 237-2057

www.cityofflint.com

----- Forwarded message -----

From: Beverly Walker-Griffa <b.walkergriffa@mcc.edu>

To: "Headen, Frederick (Treasury)" <HeadenF@michigan.gov>

Cc:

Date: Thu, 17 Dec 2015 23:12:03 +0000

Subject: Fwd: RTAB Questions from Earlier today

Below are my questions for the City Manager. Thank you. Beverly

1. The City Administrator in her email proposes using \$7,287,125 of Fund Balance in the water fund to offset the balance projected decrease in the revenue. The latest "budget to actual" report provided shows the Fund Balance in the water fund to be \$4,937,210. Will there be an amendment showing where the remaining \$2,349,915 will be taken from?
2. The last budget to actual report provided to RTAB (Month Ended October 31, 2015) the 590 Sewer Fund shows a "YTD Balance" at 10/31/15 of \$2,480,146 in the "Charges for Services" line item. If I annualize this, the total would be \$7,440,438. The budget amendment of a \$5,941,475 reduction in that budget line item adjusts the total budgeted amount to be \$24,493,240. In what months from November 2015 through June 2015 will there be an acceleration of service for fee revenue that will allow us to achieve the amended budget?
3. The same concern for the Water Fund as well.

--

Lawrence A. Gawthrop, CPA
Chief Financial Officer
Mott Community College
1401 E. Court Street
Flint, MI 48503

(810) 762-0525 (office)

(810) 348-5910 (cellular)

(810) 762-0235 Kim Brown, Executive Assistant

Workman, Wayne (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Thursday, January 07, 2016 7:34 AM
To: [REDACTED] Agen, Jarrod (GOV); Clement, Elizabeth (GOV); Muchmore, Dennis (GOV)
Cc: Baird, Richard (GOV); Hollins, Harvey (GOV); Khouri, Nick (TREASURY); Saxton, Thomas (Treasury); Headen, Frederick (Treasury)
Subject: Flint Water Litigation

Governor Snyder, Since our meeting yesterday afternoon, we have learned from Miller Canfield that the City of Flint has succeeded in Genesee County Circuit Court in substantially reducing the plaintiff's requested damages in the Shears case. We are working with Miller Canfield and the City to get a solid estimate of the savings, but it appears to be significant. In addition, Miller Canfield believes this decision will have a beneficial impact on the other water rate case (Kincaid). As additional information is available we will keep you updated. Wayne

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

Workman, Wayne (TREASURY)

From: Headen, Frederick (Treasury)
Sent: Thursday, January 07, 2016 7:42 AM
To: Khouri, Nick (TREASURY); Workman, Wayne (TREASURY)
Cc: Saxton, Thomas (Treasury)
Subject: RE: Update on Shears v City of Flint, 1-6-16

I can answer only the first question at this point. The order has not yet been issued by the court. The parties are in the process of the drafting it.

From: Khouri, Nick (TREASURY)
Sent: Thursday, January 07, 2016 6:02 AM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Cc: Headen, Frederick (Treasury) <HeadenF@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: Re: Update on Shears v City of Flint, 1-6-16

Couple of things

(1) when was the recent order limiting the time period issued? 9 months for \$3m vs \$30 m for 48 months doesn't add, unless usage really changed? How did we get the \$30m original estimate? Was part of it Kincaid? Is there still the ongoing \$750,000 a month risk to the city?

(2) Tom or Wayne --I'm out this morning. Please send an email to the gov right away, cc the folks in the room yesterday, and tell him something like "since our meeting yesterday, we found out the court has eliminated most of the city's exposure to a refund....

Thanks

Sent from my iPad

On Jan 6, 2016, at 9:11 PM, Workman, Wayne (TREASURY) <WorkmanW@michigan.gov> wrote:

I recall that of this number is because of the Kincaid lawsuit as well. We can just generalize about winning on part and reducing the potential liability

Sent from my iPhone

On Jan 6, 2016, at 9:05 PM, Headen, Frederick (Treasury) <HeadenF@michigan.gov> wrote:

The biggest change is the refund time frame: nine months instead of roughly 48 months. However, I caution that the \$3.0 million amount also is an estimate. We should have a better idea once the Circuit Court issues final orders and that has not yet happened.

Sent from my iPhone

On Jan 6, 2016, at 8:54 PM, Khouri, Nick (TREASURY) <KhouriN@michigan.gov> wrote:

Ok

But we sound pretty silly that it went from \$30m to \$3m in 2 hours

Sent from my iPhone

On Jan 6, 2016, at 8:51 PM, Headen, Frederick (Treasury) <HeadenF@michigan.gov> wrote:

Chris Trebilcock of Miller Canfield thinks the number is \$3.0 million. However, he indicated that he keeps requesting info from the City, but has yet to receive it.

The other thing to bear in mind is that the \$30.0 million estimate, to the extent it was ever accurate, assumed refunds from September 2011 to roughly September 2015. We now are talking about a refund period of only nine months.

Sent from my iPhone

On Jan 6, 2016, at 6:18 PM, Khouri, Nick (TREASURY) <KhouriN@michigan.gov> wrote:

Thanks

I thought we were talking about a \$30m refund?

Is the number now \$3m?

Sent from my iPhone

On Jan 6, 2016, at 5:45 PM, Headen, Frederick (Treasury) <HeadenF@michigan.gov> wrote:

All:

This is an update regarding *Shears v City of Flint*.

Background. Plaintiffs sought injunctive relief and order from

Genesee County
Circuit Court
declaring: (1) that a 35
percent water/sewer
rate increase City
officials adopted
September 16, 2011,
violated the City's
charter; (2) that
water/sewer rate
increases EM Brown
adopted, effective July
1, 2012, were voided
by the November 6,
2012, voter
disapproval of Public
Act 4 of 2011; and (3)
that City officials
improperly
commingled
water/sewer funds.

In August 2015, the
Court issued a
preliminary injunction
directing City
officials: (1) to rescind
the 35 percent rate
increase; (2) to refrain
from service shut offs
for failure to pay if the
35 percent rate
increase was involved;
and (3) on the Court's
own motion, to
rescind a \$15.7
million transfer from
the water/sewer fund
to a litigation
settlement fund that
City officials made in
2008 to settle claims
related to sewer
backups.

Recent Developments.

(1) Plaintiffs asked the
Court to hold City
officials in contempt
for not properly

calculating how the 35 percent rate increase should be rescinded. City officials had calculated the amount to be \$11.4 million and placed that amount in escrow. The Court agreed with the City's methodology.

(2) The Court has essentially limited any refunds to a nine-month period (i.e., mid-September of 2011 to June 2012). Miller Canfield is estimating that refunds should be roughly \$3.0 million, far less than the \$11.4 million City officials have escrowed.

(3) The Court agreed to drop the issue of requiring City officials to repay the \$15.7 million from the water/sewer fund if the City Council retroactively ratified the transfer. The City Council adopted a resolution to that effect on December 30th and the resolution will be on the RTAB's agenda next Wednesday.

(4) Technical issues in *Shears* remain on appeal with the Court of Appeals (i.e., are Flint residents entitled to a remedy even if City officials *did* violate the City

charter/ordinances in
adopting the 35
percent rate
increase)? Miller
Canfield believes that
a favorable decision
by the Court of
Appeals in *Shears* can
then be used to have
Kincaid dismissed.
Kincaid is in Genesee
County Circuit Court
on remand, but before
a different judge than
the one presiding over
Shears.

Fred

Workman, Wayne (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Thursday, January 07, 2016 9:58 AM
To: Saxton, Thomas (Treasury)
Subject: RE: Flint Class Action lawsuit

I am confident this is the one Bill was referring to. This was a notice of intent to file, I think.

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Saxton, Thomas (Treasury)
Sent: Thursday, January 07, 2016 9:56 AM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Flint Class Action lawsuit

This is the 2nd fed lawsuit ?

From: Workman, Wayne (TREASURY)
Sent: Thursday, January 07, 2016 9:27 AM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: FW: Flint Class Action lawsuit

I think this is what Bill D is talking about. We are telling the City to involve MCPS

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Byrne, Randall (Treasury)
Sent: Thursday, January 07, 2016 9:19 AM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>
Subject: Flint Class Action lawsuit

Wayne:

This is a copy of the class action lawsuit per your request yesterday. Michael L. Pitt is the Plaintiffs Attorney. This is the Melissa May's case.

Randy



Randall Byrne | State Administrative Manager
Local Government Services - Fiscal Responsibility Section
State of Michigan | 430 W. Allegan Street, 3rd Floor | Lansing, MI 48922
(517) 335-2521 | (517) 373-0633 (fax) | ByrneR1@michigan.gov

Think Green! Don't print this e-mail unless you need to.

Pleyte, Beth (Treasury)

From: Saxton, Thomas (Treasury)
Sent: Thursday, January 07, 2016 12:30 PM
To: Headen, Frederick (Treasury)
Subject: FW: Flint water
Attachments: COA Kincaid v. Flint; SHEARS PRELIMINARY INJUNCTION 872015.docx

Per our conversation a couple minutes ago. I assume what Randy fwd would be the 'right' documents.

From: Byrne, Randall (Treasury)
Sent: Tuesday, January 05, 2016 3:49 PM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>
Subject: RE: Flint water

Tom:

These are the two rulings that I have.

Randy

From: Saxton, Thomas (Treasury)
Sent: Tuesday, January 05, 2016 2:24 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Cc: Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>
Subject: RE: Flint water

Can you send me the two rulings. Thanks

From: Byrne, Randall (Treasury)
Sent: Tuesday, January 05, 2016 1:21 PM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>
Subject: RE: Flint water

Tom:

A Flint city attorney confirmed that it is Ordinance Section 46-52.1 date of April 15 by which the Finance Director shall calculate and transmit to the Mayor and City Council the new water rate schedules. Let me know if you need any further information.

Randy

From: Saxton, Thomas (Treasury)
Sent: Tuesday, January 05, 2016 10:54 AM
To: Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>

Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>

Subject: Flint water

Did you guys go back to the court ruling to confirm whether the operative date re fee increases is April or Dec 31. It would be helpful if we could know that by the end of today.

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF GENESEE

LARRY SHEARS AND MARGARET FRALICK, in their individual capacities,
and as class representatives of all other
similarly situated plaintiff class members.

JUDGE: Archie L. Hayman
P37516
CASE NUMBER: 14- 103476-CZ

PLAINTIFFS.

Vs.

DOUGLAS BINGAMAN, individually and in
His official capacity as Treasurer of the City of
Flint, **DARNELL EARLEY**, individually and
In his official capacity as Emergency Manager
Of the City of Flint, And, **THE CITY OF
FLINT, MICHIGAN**, a municipal corporation.

DEFENDANTS.

Valdemar L. Washington (P27165)
Attorney for Plaintiffs
718 Beach Street
P.O. Box 187
Flint, MI 48501-0187
810.407.6868

Peter M. Bade (P47546)
Anthony Chubb (P72608)
Attorneys for Defendant
1101 S. Saginaw St. 3rd Floor
Flint, MI 48502
810.766.7146

PRELIMINARY INJUNCTION

At a Session of Said Court
Held in the Courthouse
On the 7th Day of August, 2015

PRESENT HONORABLE ARCHIE L. HAYMAN, CIRCUIT COURT JUDGE

THIS MATTER, having come on to be heard by Plaintiffs' Motion for Issuance
of a Preliminary Injunction, the City of Flint having responded thereto, the Court having
read the same and taken testimony and received exhibits into evidence, in Open Court,
and being otherwise duly advised in the premises;

IT IS THEREFORE ORDERED AND ADJUDGED that Plaintiffs' Motion for Issuance of a Preliminary Injunction be and the same is hereby **GRANTED** for the reasons stated on the Record in Open Court, which include the following reasons:

1. The September 16, 2011 35% water and sewer rate increases, that have been collected by the City of Flint between September 16, 2011 and the date hereof, were not implemented in conformity with Flint City Ordinances 46 – 52.1 and 46 – 57.1.
2. The water readiness to serve charges that have been collected by the City of Flint from September 16, 2011 to the date hereof are not calculated nor authorized in accordance with Flint City Ordinance 46 – 52.
3. The July 1, 2012 12.5 % water rate increase and 45% sewer rate increase implemented by Emergency Manager Michael Brown under Public Act 4 of 2011 became void with the electors' referendum/rejection of Public Act 4 of 2011.
4. Following the rejection of Public Act 4 of 2011 there was no Order signed by any later Flint Emergency Manager that adopted or implemented the September 16, 2011 water and sewer rate increases and the July 1, 2012 water and sewer rate increases.
5. The liens placed against the real property of the City of Flint's delinquent water and sewer customers were due to delinquencies caused by the September 16, 2011 and July 1, 2012 water and sewer rate increases and the charging of the water readiness to serve charge from September 16, 2011 to the date hereof.

6. The City of Flint has disconnected the water service for its delinquent water and sewer customers due to their failure to pay delinquencies caused by charges related to the September 16, 2011, July 1, 2012, water and sewer rate increases, and water readiness to serve charges.

IT IS FURTHER ORDERED AND ADJUDGED that the City of Flint, its agents, employees, servants, attorneys, and those other persons in active concert or participation with it, be and the same are hereby **ENJOINED** from the following actions, until further Order of This Court:

1. Charging and collecting a water readiness to serve charge, also known as the water service charge from its water and sewer customers until it comes into compliance with Flint City Ordinance 46 – 52.
2. Charging and collecting water and sewer rates that include the September 16, 2011 35% rate increases.
3. Disconnecting the water service for its delinquent water and sewer customers wherein the delinquency arose between September 16, 2011 and the date hereof.
4. Placing any further liens against the real property of its delinquent water and sewer customers for delinquencies that occurred between September 16, 2011 and the date hereof.
5. Taking any monies from the Water Supply Fund, which include the water and sewer funds, and using those monies to pay general obligations.

IT IS FURTHER ORDERED AND ADJUDGED that no Security is required of Plaintiffs herein as this matter is in the public interest as the actions of the City of Flint that are being enjoined are actions that Defendant City of Flint has been engaged in since September 16, 2011, which violate its own Ordinances.

IT IS FURTHER ORDERED AND ADJUDGED that the parties are to meet and negotiate the repayment of 15.7 million dollars to the Sewer fund by the General Fund and are to return to this Court on November 13, 2015 if they are unable to reach agreement on the return of the 15.7 million dollars to the Sewer Fund.

The parties are to provide this Court with their proposals for repayment of the 15.7 million dollars to the Sewer fund, if they are unable to reach an agreement on the process of repayment of the 15.7 million dollars to the Sewer fund by the General Fund by October 31, 2015.

The City of Flint shall immediately establish funds for its water and sewer funds, also known as the Water Supply fund, that are in compliance with the Revenue Bond Act of 1933 as recited by the Court in open Court.

The Finance Department of Defendant City of Flint shall prepare a document/report that creates for this Court a history of the expenditures for the Sewer fund between 2007 and 2013 that reflects how those expenditures would have occurred if the 15.7 million dollars had not been transferred to the General Fund/Lawsuit Settlement Fund.

The issue of Emergency Manager Brown's July 1, 2012 12.5% water rate increase and 45% sewer rate increase is hereby preserved until the Court has reviewed the document/report prepared by the City of Flint's Finance Department.

IT IS FURTHER ORDERED AND ADJUDGED that the parties shall attend a
Pre-Trial Conference for this case to be held on November 13, 2015 at 12:00 PM.

IT IS SO ORDERED

ARCHIE L. HAYMAN, P37516
CIRCUIT COURT JUDGE
AUGUST 7, 2015

The above Order is Approved as to Form:

Anthony Chubb, P 72608
Deputy City Attorney

Prepared By:

Valdemar L. Washington
Attorney for Plaintiffs
718 Beach Street/ P.O. Box 187
Flint, MI 48501-0187
810.407.6868

Re: Flint lawsuit memo

Workman, Wayne (TREASURY)

Fri 1/8/2016 3:40 PM

To: Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>,

Cc: Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Dempkowski, Angela (Treasury) <DempkowskiA@michigan.gov>,

We should ask Fred to check his files also

Sent from my iPhone

On Jan 8, 2016, at 3:31 PM, Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov> wrote

There is this article in which Dayne Walling was saying he was requesting \$30 million for tackling the Flint Water issue.

http://www.mlive.com/news/flint/index.ssf/2015/09/lawsuit_aimed_at_forcing_flint.html

From: Workman, Wayne (TREASURY)

Sent: Friday, January 08, 2016 3:15 PM

To: Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>

Cc: Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Dempkowski, Angela (Treasury) <DempkowskiA@michigan.gov>

Subject: Re: Flint lawsuit memo

Some one prepared something. I will have a look Monday at my paper files. It won't look good if Tom finds it in his file. They should look for any analysis of the cost of losing the two suits

Sent from my iPhone

On Jan 8, 2016, at 3:09 PM, Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov> wrote:

Randy has checked his records and asked his staff but no one remembers an analysis of the exposure on the Flint water lawsuits with a \$30 million figure. Maybe each of you could search your e-mail for potential attachments on this topic.

Larry Steckelberg
Division Administrator
Property Services Division
Michigan Department of Treasury
(517) 241-3733

Workman, Wayne (TREASURY)

From: Steckelberg, Larry (TREASURY)
Sent: Friday, January 08, 2016 4:33 PM
To: Workman, Wayne (TREASURY)
Cc: Koryzno, Edward (Treasury)
Subject: Searching for the \$30 million figure
Attachments: Assistance Request from Mich Treasury.PDF

Follow Up Flag: Flag for follow up
Flag Status: Flagged

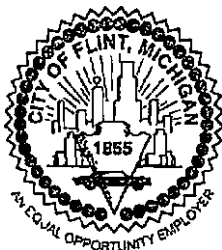
Another likely suspect from Suzanne. Also, I spoke with Fred and Randy. Fred recalls the \$30 million figure being spoken by the city in a phone call in August or September of last year. He doesn't recall that being memorialized in any official communication. We will keep searching.

From: Schafer, Suzanne K. (Treasury)
Sent: Friday, January 08, 2016 4:13 PM
To: Steckelberg, Larry (TREASURY)
Subject:

Larry,

I think this gets close to the \$30M.

Suzanne



CITY OF FLINT

Dr. Karen W. Weaver
Mayor

Natasha L. Henderson
City Administrator

December 10, 2015

Treasurer Nick A. Khouri,
Michigan Department of Treasury
Lansing, Michigan 48922

Re: *Larry Shears v. City of Flint*

Dear Treasurer Khouri:

We are writing to respectfully request financial assistance from the State of Michigan with the cost of defending the above-reference lawsuit. This is a class action that challenges water/sewer rates set by the City. The rates were established, in part, by Emergency Manager Michael K. Brown in 2011. The plaintiffs seek a 35% reduction in rates, as well as repayment of charges that were allegedly illegal. If successful, the financial impact would be catastrophic.

Due to the gravity of the situation, and at the urging of Treasury officials, the City retained the law firm of Miller Canfield to handle its defense. Miller Canfield has an outstanding reputation and is well-suited to litigate this matter. However, a firm of this caliber is well beyond the financial means of the City of Flint. We are at a crossroads that requires careful consideration. We cannot afford to continue paying Miller Canfield, but equally cannot risk failure in this lawsuit.

The lawsuit has already caused devastating financial harm to the City due to rulings by the court. In August, the court issued a preliminary injunction order that is striking in its breadth. Among other things, it compelled the City to reduce water rates by 35% pending the outcome of litigation, and prevented readiness to serve charges.

Under the injunction, the City has been unable to collect past due water bills, leaving \$11.6 million dollars of uncollected revenue. The City is losing over \$600,000.00 per month, with many customers taking a wait-and-see approach to paying their bills.

In a Hobbesian choice, the City was forced to abandon desperately needed capital improvements. This will further escalate costs and exacerbate infrastructure needs.

In addition, Genesee County Circuit Court Judge Archie Hayman sue sponte ordered the City to repay \$15.7 million dollars from its general fund to the water and sewer fund, on the perception that the money was wrongfully transferred. The court's ruling have consistently been pro-plaintiff. Much of the legal work is focused on appellate review.

These financial pressures are rapidly impacting the City. Despite a hiring/spending freeze, the City will soon confront the difficult question of whether to use the general fund to pay for the water/sewer system. This would necessarily compel cuts in its already short-staffed police force.

It is imperative the claims asserted in this case are confronted and reversed. The City needs a strong legal defense in this matter, as the consequences of not prevailing will be drastic.

In August of 2015, the City retained Miller Canfield at the urging of State officials. At that time, it was suggested the State would provide financial support. Unfortunately, that support has been discussed for months, but not yet provided. Legal fees from Miller Canfield, to date, total more than \$80,000. The cost of defending this matter is rapidly exhausting the City's litigation reserves. We need help, or will not be able to continue with this level of defense.

Under Public Act 436, the State does not assume liability for the actions of an emergency manager. However, we believe there are practical considerations that call for financial assistance. By ensuring the City has needed litigation resources, the State can guard against a return to emergency financial crisis in Flint. Without those resources, the risk of a catastrophic judgment substantially increases. Thus, helping Flint now is a prudent investment to avoid a more costly enterprise.

Moreover, a substantial portion of this lawsuit relates to actions taken by an emergency manager under the careful watch of the State of Michigan. The City of Flint should not be left on its own to defend those choices.

Over the past four years, the City has made enormous strides in attempting to rectify its financial crisis. Pain was broadly spread to current employees, retirees and residents. The City was forced to do more with substantially less. Our residents received reduced municipal services, but increased their volunteerism. Contrary to the perception of some, the City and its residents have met the challenge of regaining financial solvency issued by each of the four emergency managers appointed by Governor Snyder. We proudly closed fiscal year 2015 with a balanced budget.

We have come far, but now confront a lawsuit that seriously threatens to undermine the enormous work, hardship and sacrifice of the past four years. We need financial assistance to avert that disaster, and we need it now.

Respectfully submitted,



Dr. Karen Weaver
Mayor

PMB/eem



Natasha L. Henderson
City Administrator

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] stated the City is headed in the right direction, [REDACTED] to do
various capital improvement projects.

Flint – Jan. 6 – Mayor Weaver, Council President Nelson, N. Henderson, P. Dostine, E. Cline, A. Heimann

1. Water Update:

Governor has declared a state of emergency regarding Flint's water

- GIS Mapping/Scope of issue
 - Will be documenting all lines that are made of lead (likely) so that they can have an accurate scope of the issue, and better prioritize replacements when funding becomes available
 - Will also look at the age of the infrastructure
- Health Department will be adding a nutrition component to the State of Emergency declaration

Water rate

- According to the city, their water rates adjustments need to be determined by "April at some point" was not sure of the exact day in April
- Will be looking into making changes to their rates

KWA Connection

- Temporary line may not be necessary, have been discussing a plan where "city and county would back up each other"
 - This plan would solve the problem of not having to have the Flint River as a backup water supply
 - Will also be significantly more expensive than the original plan to create a temporary pipeline to the city that will go to waste afterwards

DPW Recruitment

- Have met with two recruiters, and will be going with "Joyce" from the MML

- Will be changing the proposal slightly for recruitment, the original proposal was too minimal, and the new proposal will be more expensive
- Could take 120 days to find a candidate, but the city is optimistic that it will happen sooner

Legal fees

- Treasury sent a letter notifying the city that they (the Treasury) will be paying 75% of legal fees associated with the Spears Kincaid lawsuit.
- City will start to send us invoices shortly

Corrosion control

- No issues with the corrosion control so far, have seen significant decreases in the quantity of lead in the water

2. Other issues

City Council Meetings - Had a City Council special meeting on the 30th and regular meeting on the 21st

- Special meeting on the 30th of December
 - Judge wanted to City Council to approve a fund transfer from 2008
 - If the RTAB approves this action, the city believes that the judge will not force the city to transfer this money back

Question about PA 436 and Councilor Eric Mays

- City Council President Nelson wanted to know if the RTAB has the capacity to act on removing Councilor Mays considering he is going to be serving a prison sentence
- F. Headen suggested that this was a matter for the City Council to address, and suggested that most cities have a provision to remove a Councilor.
- The City then noted that they would explore that matter internally.

Follow-up questions from the RTAB

- RTAB member (not named) sent follow-up questions to N. Henderson that weren't returned
- N. Henderson had difficulty finding the questions in her email, but after getting them forwarded to her from E. Cline she suggested that all of these questions had been thoroughly addressed in materials that were already sent.
- She will be following up with the individual, and will send responses to her direct questions to all RTAB members so that everyone will have them.

Stanton, Terry A. (Treasury)

From: Brown, Jessica (GOV)
Sent: Friday, January 08, 2016 11:25 AM
To: Holton, Jennifer (MDARD); Levengood, Vicki (MDCR); Miller, Jacki (MDCR); Gautz, Chris (MDOC); Eisner, Jennifer (DHHS); Miller, Andrea (DIFS); Moon, Jason (LARA); Kathleen Achtenberg (MEDC); Bach, Katie (MSHDA); Thelen, Suzanne (DMVA); DeVol, Lauren (DMVA); Golder, Edward (DNR); Banner, Shanon (MSP); Brown, Tiffany (MSP); Brown, Melanie (DEQ); Cranson, Jeff (MDOT); Stanton, Terry A. (Treasury); Sampson, Jeremy (TREASURY); Bitely, Andrea (AG); Woodhams, Fred (MDOS); Sellek, Stacy (Courts); Bean, Mary Kay (MGCB); Humes, William R (DMVA); Simpson, Angela (DMVA); Hawthorne, Megan (AG); Throne, Heather (MDARD); Tommasulo, Karen (DEQ)
Cc: Holland, Meegan (GOV); Murray, David (GOV); Biehl, Laura (GOV); Heaton, Anna (GOV); Kennedy, Jordan (GOV); Paciorek, Josh (GOV)
Subject: Joint Information Center Info
Attachments: JIC News Release_1 (1).doc; SocialMedia010616.docx; Facebook graphic.png; Twitter graphics.png

Fellow PIOs:

This week, the governor activated the State Emergency Operation Center to address the health and safety issues related to Flint drinking water. The Joint Information Center has been established to support the SEOC by centralizing communications and streamlining public education efforts.

All media inquiries regarding Flint water and health concerns must be directed to the JIC – the media line is: 888-363-8632. Additionally, all communications materials related to Flint must be routed through the JIC to ensure consistent and accurate messaging. If you have draft social media, FAQs, or any materials you plan to share, send them to Ron Leix at leixr@michigan.gov for approval.

The JIC has created approved social media content for your use, as well as Facebook and Twitter graphics. Messaging and graphics are attached.

Some of you may be called on to staff the JIC. Currently, the governor's office and lead agencies – MDHHS and DEQ – are working side by side with MSP on location. Through close of business today, Friday, January 8, the JIC will be located at 4000 Collins Road, Lansing, MI 48910 in the SEOC. As of Monday morning at 9 a.m., the JIC will be moved to Flint, at 125 E. Union Street, 48502.

Thank you,
Dave



STATE OF MICHIGAN JOINT INFORMATION CENTER

NEWS RELEASE

FOR IMMEDIATE RELEASE
January 6, 2016; 4:50 p.m.
Release #: 01

For more information contact:
Joint Information Center
888-EMD-TODAY (888-363-8632)

State of Michigan Joint Information Center Now Operational

LANSING, Mich. – Today the State of Michigan launched its Joint Information Center (JIC) to coordinate public information from the State Emergency Operations Center, set up to help with health and safety issues caused by lead in the city of Flint's drinking water. The emergency operations center was activated after Gov. Rick Snyder declared a state of emergency for Genesee County on Jan. 5.

Public information and updates, including resources for residents such as how to obtain free water filters and lead testing, are available at www.michigan.gov/FlintWater.

The JIC will serve as the state's central communications hub for this emergency and is staffed by public information officers (PIO) from several state agencies. Hours of operation will be 9 a.m. – 5 p.m., Monday – Friday, until further notice.

It is operating out of the Michigan State Police Emergency Management and Homeland Security Division in Lansing. State officials have been in contact with Flint and Genesee County officials to move the JIC to the city of Flint to better partner and coordinate with local agencies.

The declaration makes available all state resources in cooperation with local response and recovery operations.

Genesee County declared a "local state of emergency" on Jan. 4, activating local emergency response and recovery plans. By requesting a governor's declaration, the county has determined local resources are insufficient to address the situation and state assistance is required to protect public health, safety and property to lessen or avert the threat of a crisis.

The city of Flint has been under a local emergency declaration since Dec. 14, 2015.

###

**NOTE: ALL MEDIA INQUIRIES ARE BEING HANDLED BY THE JOINT
INFORMATION CENTER AT 888-EMD-TODAY (888-363-8632).**

Stanton, Terry A. (Treasury)

From: Murray, David (GOV)
Sent: Monday, January 11, 2016 11:48 AM
To: Stanton, Terry A. (Treasury)
Subject: Re: DWSB and Flint

Thank you!

Sent from my iPhone

On Jan 11, 2016, at 11:41 AM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

Dave...

See below. Let me know if you need more, etc. I will copy letters for each date/step momentarily.

Key dates

June 26, 2012 – Letter from EM Brown to DWSD seeking permission to blend river water with DWSD water

Sept. 20, 2012 – Letter from EM Kurtz to DWSD requesting written permission to implement blending (to ensure quality drinking water while saving an estimated \$2-3 million annually. DWSD was proposing a 5x rate increase for the City of Flint).

March 25, 2013 – The Flint City Council endorses joining KWA

April 11, 2013 – Treasurer Dillion sends letter to EM Kurtz noting conditional approval of move to KWA (pursuant to PA436), pending a review of DWSD's last, best offer.

April 16, 2013 – EM Kurtz informs Treasury that the City will join KWA

April 17, 2013 – DWSD transmits letter to EM Kurtz terminating service to Flint, effective April 17, 2014

April 17, 2014 – Water service from DWSD officially ends

Discussions about the possible development of a Flint-area/Genesee County water system had been ongoing since the early 2000's and the City of Flint had been in discussions about the possibility of joining KWA for much of that time (certainly prior to the appt. of an EM in Dec '11)

Flint EM dates

Mike Brown, apptd 12-1-11 (when fin emer declared under PA 4 of 2011)

Ed Kurtz, apptd 8-8-12 (when PA4 was repealed in Aug 2012, Brown couldn't serve as EM, PA 72 back in effect)

Mike Brown, apptd 7-4-13 (Kurtz retired; PA436 in effect)

Darnell Earley, apptd 10-8-13 (Brown resigned)

Gerald Ambrose, apptd 1-13-15 (Earley appointed DPS EM)

-----Original Message-----

From: Murray, David (GOV)
Sent: Monday, January 11, 2016 11:20 AM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: DWSB and Flint

Hi Terry,

I'm in a meeting with the governor. He's asking for some details for a timeline regarding the switch.

Do we have dates and information about the exact communication with DWSB and Flint regarding rates, especially the part about the attempt by Detroit water and the rate demands? We are attempting to provide an accurate picture of the timeline, and difficult decisions faced by the city and EM at the time.

Thank you!

Sent from my iPad

Robert, Carla M. (Treasury)

From: Wisniewski, Wendy (GOV) <wisniewski@michigan.gov> on behalf of Agen, Jarrod (GOV) <AgenJ@michigan.gov>
Sent: Tuesday, January 12, 2016 12:04 PM
To: Abednego, Jaime (DTMB); Allan, Jon (DEQ); Arbulu, Agustin (MDCR); Arwood, Steve (MEDC); Barnes, Jeff (DMVA); Behen, David (DTMB); Bowen, Scott (MSL); Brader, Valerie (LARA); Brown, Diane (MGCB); Burton, Diane (LARA); Carefoot, Karen (MDE); Clover Adams, Jamie (MDARD); Comai, Stephanie (TIA); Creagh, Keith (DEQ); Crockett, Tracy (MSHDA); Deloney, Andrew (LARA); Donnan, Chanda (DTMB); Doyle, Maureen (Treasury); Dungey, Cecilia (TIA); Elsenheimer, Kevin (MSHDA); Etue, Kriste (MSP); Evans, Amiee (MEDC); General Gregory J. Vadnais (gregory.j.vadnais.mil@mail.mil); Grijalva, Nancy (DHHS); Hill, Nancy (DIFS); Isaacs, Carol (AG); Kalm, Rick (MGCB); Khouri, Nick (TREASURY); King, Rebecca (MCSC); Klotz, Josephine (MSP); Lyon, Nick (DHHS); 'Mason, Dace (DMVA)'; McDermott, Cristina (MSL); McPharlin, Pat (DIFS); Minix, Connie (DTMB); Quackenbush, John (LARA); Roberts, John (DTMB); Sanford, Shawn (MDCR); Sebenick, Pam (MDOT); Sederburg, Kari (DHHS); Senyko, Mike (MDOS); Simon, Sandy C. (MDOC); Smith, Brenda (MDARD); Steudle, Kirk (MDOT); Sworden, Julie (DMVA); Teszlewicz, Barbara (AG); Thelen, Mary Beth (DEQ); Tkaczyk, Judy (DNR); Vaughn, Kari (DEQ); Waalkes, Marie (DTMB); Washington, Heidi E. (MDOC); West, Samantha (LARA); Whiston, Brian (MDE); Winters, Jan (MCSC); Zimmer, Mike (LARA); Moritz, William (DNR)
Subject: Daily Report

This is the first of daily reports from me on activity and issues concerning the Flint water situation.

MONDAY

- The Governor & Flint Mayor Weaver held a press conference in Flint to stress the use of 211 for residents in need of water, detail the water distribution system, and clarify our coordination with FEMA.
- The SEOC is improving its restocking system to make sure no water resource sites run out of supplies. Part of that effort entails the SEOC expanding its partnership with the Red Cross, which is providing expertise on warehousing, inventory and transporting supplies in emergency situations.
- The SEOC began mapping lead service lines.

COMING UP TODAY:

- Home Depot is donating over 12,700 cases of water daily starting today
- Door-to-door teams had a kick off press conference at the Genesee County Community Action Resource Department, and began distributing water resources in neighborhoods.
- A PSA will be submitted to Comcast, with MSP Capt. Kelenske providing water resource information.

Jarrod Agen
Chief of Staff
Governor Rick Snyder, Michigan
517-241-5599

Workman, Wayne (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Tuesday, January 12, 2016 3:58 PM
To: Agen, Jarrod (GOV); Baird, Richard (GOV); Hollins, Harvey (GOV)
Cc: Saxton, Thomas (Treasury); Khouri, Nick (TREASURY)
Subject: Flint Water

Just finished a call with the Mayor. She indicates that the staff is working on a more complete analysis of Water System finances right now and it should be done soon. I also want to share that while we were talking she received a text message that the City had exhausted their supply of bottled water and filters. Not sure where that info needs to go, but please pass it the appropriate parties. Wayne

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

Cousineau, Sara (Treasury)

From: Clayton, Stacie (GOV)
Sent: Wednesday, January 13, 2016 1:11 PM
To: Hollins, Harvey (GOV); Kelenske, Chris (MSP); Creagh, Keith (DEQ); Khouri, Nick (TREASURY); Zimmer, Mike (LARA); Whiston, Brian (MDE); Lyon, Nick (DHHS); Carefoot, Karen (MDE); Thelen, Mary Beth (DEQ); Garza, Oralya (MSP); Cousineau, Sara (Treasury); Burton, Diane (LARA); Grijalva, Nancy (DHHS); Burgess, Louis (MDE)
Subject: EO No. 2016-1 Flint Water Interagency Coordinating Committee
Attachments: EO+2016-1.pdf

Follow Up Flag: Follow up
Flag Status: Completed

Greetings All,

Attached for your reference is the Executive Order creating the Flint Water Interagency Coordinating Committee. Thank you, again, for your prompt response for scheduling tomorrow's conference call.

~Stacie

Stacie Clayton, Assistant Director
Harvey Hollins III, Director
Governor's Office of Urban Initiatives
3044 West Grand Boulevard, Ste. 14-650
Detroit, MI 48202
313.456.4994 (office)
claytons3@michigan.gov



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

BRIAN CALLEY
LT. GOVERNOR

**EXECUTIVE ORDER
No. 2016 – 1**

**CREATION OF
FLINT WATER INTERAGENCY COORDINATING COMMITTEE
MICHIGAN DEPARTMENT OF STATE POLICE**

WHEREAS, Section 1 of Article V of the Michigan Constitution of 1963 vests the executive power of the state of Michigan in the Governor; and

WHEREAS, Section 2 of Article V of the Michigan Constitution of 1963 empowers the Governor to make changes in the organization of the Executive Branch or in the assignment of functions among its units that he considers necessary for efficient administration; and

WHEREAS, municipal water in the City of Flint showed elevated lead levels after the City of Flint switched its water source to the Flint River; and

WHEREAS, the County of Genesee and the City of Flint have taken actions to cope with the situation, including but not limited to, switching back to the Detroit water system on October 16, 2016, declaring local states of emergency, activating the emergency response and recovery aspects of their emergency operations plan, marshaling and distributing required resources on a city-wide level, and issuing emergency public information and bulletins; and

WHEREAS, the Flint Water Advisory Task Force was formed as an independent advisory task force charged with reviewing actions regarding water use and testing in Flint; and

WHEREAS, the Flint Water Advisory Task Force has made an interim recommendation that the state government should coordinate a sustained, public-health focused response to remedy, to the fullest extent possible, the impacts on the Flint community; and

WHEREAS, on January 5, 2016, the Governor issued a proclamation declaring a state of emergency in the County of Genesee and the City of Flint; and

WHEREAS, multiple state departments and local authorities share the responsibility for ensuring safe drinking water and the coordination of efforts to address the consequences resulting from the presence of elevated lead levels in drinking water; and

WHEREAS, ensuring safe drinking water and addressing the consequences of elevated lead levels in drinking water will require collaboration and communication between state departments, local governments, and subject matter experts; and

WHEREAS, the establishment of a Flint Water Interagency Coordinating Committee within the Michigan Department of State Police will facilitate the collaboration and

communication between state departments, local governments, and subject matter experts necessary to effectively coordinate a response and recovery effort;

NOW, THEREFORE, I, Richard D. Snyder, Governor of the state of Michigan, by virtue of the power and authority vested in the Governor by the Michigan Constitution of 1963 and Michigan law, order the following:

I. CREATION OF THE FLINT WATER INTERAGENCY COORDINATING COMMITTEE

A. The Flint Water Interagency Coordinating Committee ("Coordinating Committee") is created as an advisory body within the Michigan Department of State Police (the "Department").

B. The Coordinating Committee shall be composed of the following seventeen (17) members who shall serve an initial term expiring on December 31, 2018.

- The Director of Office of Urban Initiatives within the Executive Office of the Governor;
- The Deputy State Director of Emergency Management and Homeland Security within the Michigan Department of State Police;
- The Director of the Department of Environmental Quality, or his or her designee;
- The Director of the Department of Health and Human Services, or his or her designee;
- The Director of the Department of Licensing and Regulatory Affairs, or his or her designee;
- The State Treasurer, or his or her designee;
- The Superintendent of Public Instruction, or his or her designee;
- The elected Mayor of the City of Flint who shall be appointed to the Coordinating Committee by the Governor;
- Three (3) additional representatives of the City of Flint who shall be submitted by the Mayor of the City of Flint and appointed to the Coordinating Committee by the Governor;
- Three (3) representatives of Genesee County who shall be submitted by the Genesee County Board of Commissioners and appointed to the Coordinating Committee by the Governor; and
- Three (3) subject matter experts who shall be appointed to the Coordinating Committee by the Governor.

After the initial appointments, members of the Coordinating Committee appointed under this subsection shall serve terms of three years.

C. A vacancy on the Coordinating Committee occurring other than by expiration of a term shall be filled in the same manner as the original appointment for the balance of the unexpired term. A member may continue serving until his or her successor is appointed. A member may serve successive terms if reappointed.

II. CHARGE TO THE COORDINATING COMMITTEE

A. The Coordinating Committee shall act in an advisory capacity to the Governor and subject to the Governor's review and approval, shall do all of the following:

- 1. Create an incident action plan designed to assist state and local authorities in ensuring safe drinking water for the residents of the City of Flint and addressing the consequences of elevated lead levels in drinking water.**
- 2. Review recommendations made by the Flint Water Advisory Task Force and propose statutory, regulatory, or contractual actions necessary for implementation of such recommendations.**
- 3. Identify staff with competencies in emergency planning, operations, logistics, and finance as outlined under the National Incident Management System (NIMS) to work with the Coordinating Committee to track resource requests and document progress on the incident action plan.**
- 4. Establish a standard process for sharing pertinent information between all members including use of the NIMS and Unified/Incident Command as appropriate.**
- 5. Establish routine communications protocols at the local, executive, and legislative levels as appropriate.**
- 6. Establish a public information protocol to effectively inform the community.**
- 7. Make recommendations for acceptable standards for potable water.**
- 8. Make recommendations regarding the health impacts for the affected population.**
- 9. Assess the status of infrastructure and determine feasible actions to upgrade the water system.**
- 10. Establish subcommittees among its members to specifically address, at a minimum, each of the three following topic areas: Water Quality, Community Health, and Education.**
- 11. Assist the Governor and the Department in implementing appropriate operations permitted under the Michigan Emergency Management Act or the federal Stafford Disaster Relief and Emergency Assistance Act, including local emergency operations plans and guides.**
- 12. Explore any avenues of funding for response and recovery efforts including federal grants, legislative appropriations, and private partners.**

B. The Coordinating Committee shall provide other information or advice as requested by the Governor or the Department.

III. OPERATIONS OF THE COORDINATING COMMITTEE

A. The Coordinating Committee shall be staffed and assisted by personnel from the Department as directed by the Department Director. Any budgeting, procurement, and related management functions of the Coordinating Committee shall be performed under the direction and supervision of the Department Director.

B. The Director of Office of Urban Initiatives within the Executive Office of the Governor and the Deputy State Director of Emergency Management and Homeland Security shall together serve as the Statewide Coordinators responsible for the administrative functions of the Coordinating Committee.

C. The Coordinating Committee may utilize subcommittees and advisory panels composed of its members to assist in completing the functions of the Coordinating Committee. The Coordinating Committee may request public participation on advisory panels as the Coordinating Committee deems necessary.

D. When making recommendations to the Governor, a majority of the serving members of the Coordinating Committee must concur.

E. The Coordinating Committee shall meet at the call of either of the Statewide Coordinators and as may be provided in procedures adopted by the Coordinating Committee.

F. The Coordinating Committee may, as appropriate to perform its duties, make inquiries, conduct studies, consult with outside experts and federal agencies, and receive comments from the public.

G. Members of the Coordinating Committee shall serve without compensation but may receive reimbursement for necessary travel and expenses according to relevant statutes and the rules and procedures of the Civil Service Commission, and the Department of Technology, Management and Budget, subject to available funding.

H. The Coordinating Committee may accept donations of labor, services, or other items of value from any public or private agency or person. Any donations shall be expended in accordance with applicable laws, rules, and procedures.

I. Members of the Coordinating Committee shall refer all legal, legislative, and media contacts to the Department.

J. A writing prepared, owned, used, in the possession of, or retained by the Coordinating Committee in the performance of an official function is subject to the Freedom of Information Act, 1976 PA 442, as amended, MCL 15.231 to 15.246.

IV. MISCELLANEOUS

A. All departments, committees, commissioners, or officers of this state or of any political subdivision of this state may give to the Coordinating Committee, or to any member or representative of the Coordinating Committee, any necessary assistance required by the

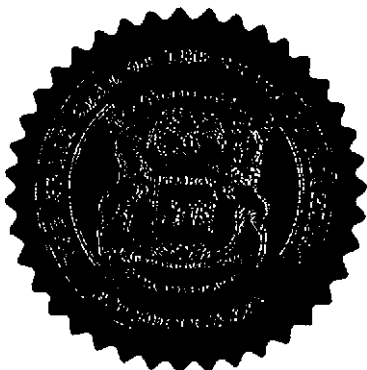
Coordinating Committee, or any member or representative of the Coordinating Committee, in the performance of the duties of the Coordinating Committee so far as is compatible with its, his or her duties.

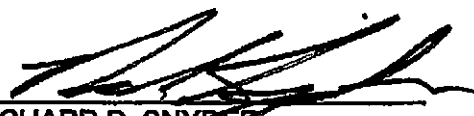
B. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected under this Order shall not abate by reason of the taking effect of this Order.

C. The invalidity of any portion of this Order shall not affect the validity of the remainder of the Order.

The Executive Order shall become effective upon filing.

Given under my hand and the Great Seal of the state of Michigan this 11th day of January, in the year of our Lord, Two Thousand Sixteen




RICHARD D. SNYDER
GOVERNOR

BY THE GOVERNOR:


SECRETARY OF STATE

FILED WITH SECRETARY OF STATE

ON 1/11/16 AT 10:05 AM

Workman, Wayne (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Wednesday, January 13, 2016 3:25 PM
To: kweaver@cityofflint.com; Natasha Henderson
Cc: Schafer, Suzanne K. (Treasury); Byrne, Randall (Treasury); Saxton, Thomas (Treasury)
Subject: Water and General Fund financial information needed

Mayor Weaver,

This is to confirm our discussion on January 12, 2016 regarding the financial information Treasury needs for the City of Flint. Please submit the following:

1. Monthly cash flow reports (for both General Fund and the Water/Sewer Fund) for the period of 7/1/2015 thru 6/30/16. The report should show the actual cash flow for the months already past and the projected cash flow for the remainder of the city's fiscal year. It should show the ending cash balance assuming that the Shearer decision is upheld and a second balance assuming the Shearer decision is reversed.
2. Water shutoff history starting 1/1/2015 to present. The history should include the number of shutoffs and what that represents in terms of percentage of customers and percentage impact on revenues.
3. Water bill collection history starting 1/1/2015 to present.
4. Reports required by the emergency loan agreement issued in April 2015 (requirements will be sent in a separate letter).

As I mentioned, if the City needs additional resources to help gather this information quickly, Treasury is prepared to offer financial help for the City to retain the help of your auditors. If you want to pursue this please contact Randy Byrne regarding estimated cost.

We look forward to working with the City to identify and secure additional funds from foundations, corporations and the federal government to provide long term solutions for Flint's water system.

Should you have any additional questions or need assistance on the formatting or content of the reports, please do not hesitate to contact Suzanne Schafer at 517-373-0533. We look forward to getting this information as soon as possible. Thank you, Wayne

Workman, Wayne (TREASURY)

From: Saxton, Thomas (Treasury)
Sent: Wednesday, January 13, 2016 3:24 PM
To: Workman, Wayne (TREASURY)
Subject: RE: Flint Water Interagency Coordinating Committee

It might be good if you sat in as well. If you are around.

From: Khouri, Nick (TREASURY)
Sent: Wednesday, January 13, 2016 3:12 PM
To: Cousineau, Sara (Treasury) <CousineauS@michigan.gov>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: RE: Flint Water Interagency Coordinating Committee

Looks like its 8:00

So I can call in from my office

But Tom should join us too (if available)

From: Cousineau, Sara (Treasury)
Sent: Wednesday, January 13, 2016 1:55 PM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>
Subject: Re: Flint Water Interagency Coordinating Committee

Ok

Sent from my iPhone

On Jan 13, 2016, at 12:29 PM, Khouri, Nick (TREASURY) <KhouriN@michigan.gov> wrote:

I'd like to do it

See if they can do it at 8:00

Sent from my iPhone

On Jan 13, 2016, at 11:07 AM, Cousineau, Sara (Treasury) <CousineauS@michigan.gov> wrote:

Nick,
Per email below, do you want someone to sit in on this call tomorrow for you? If yes, who would you like?
Thanks,
Sara

From: Clayton, Stacie (GOV)
Sent: Wednesday, January 13, 2016 11:02 AM
To: Garza, Oralya (MSP) <GarzaO@michigan.gov>; Thelen, Mary Beth (DEQ) <THELENM2@michigan.gov>; Cousineau, Sara (Treasury) <CousineauS@michigan.gov>; Burton, Diane (LARA) <BurtonD2@michigan.gov>; Carefoot, Karen (MDE) <CarefootK@michigan.gov>; Grijalva, Nancy (DHHS) <GrijalvaN@michigan.gov>
Subject: Flint Water Interagency Coordinating Committee
Importance: High

Greetings All,

Your Director, or his designee, has been appointed by Governor Snyder to serve on the Flint Water Interagency Coordinating Committee (it will be the deputy state director of Emergency Management and Homeland Security within MSP). Harvey Hollins would like to have an initial conversation via conference call as soon as possible.

Please let me know availability for a 30-minute call on Thursday (tomorrow) anytime between 8am-11am. Your prompt response will be greatly appreciated. Please feel free to email or call me with any questions.

~Stacie

Stacie Clayton, Assistant Director
Harvey Hollins III, Director
Governor's Office of Urban Initiatives
3044 West Grand Boulevard, Ste 14-650
Detroit, MI 48202
313.456.4994 (office)
claytons3@michigan.gov

Workman, Wayne (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Wednesday, January 13, 2016 4:47 PM
To: Jody Lundquist
Cc: Natasha Henderson; Karen Weaver; Saxton, Thomas (Treasury); Byrne, Randall (Treasury); Schafer, Suzanne K. (Treasury)
Subject: Re: Water and General Fund financial information needed

Why don't you give us an estimate of and then we can talk it over

Sent from my iPhone

On Jan 13, 2016, at 4:35 PM, Jody Lundquist <jlundquist@cityofflint.com> wrote:

Ms. Henderson,

I will direct my staff to begin compiling this information. While several of the reports will be fairly easily to prepare, others will require analysis and take more time. Are you aware of how quickly this information is needed?

Thank you,

Jody N. Lundquist
Chief Financial Officer
City of Flint

jlundquist@cityofflint.com
(810)237-2441 direct

On Jan 13, 2016, at 4:19 PM, Natasha Henderson <nhenderson@cityofflint.com> wrote:

Good afternoon, Mr. Workman.

Thank you for sharing this detailed information request with me. I will ensure that City staff begin working on this immediately. This information will take some time to prepare, however I am confident that City staff is fully capable of responding to your request in its entirety. We appreciate your offer of assistance. Although I believe that it will be unnecessary at this time, we will be sure to inform you should additional support be necessary in the future.

Thanks,

Natasha L. Henderson, City Administrator
1101 S. Saginaw St.
Flint, MI
Email: nhenderson@cityofflint.com

Mayor Weaver,

This is to confirm our discussion on January 12, 2016 regarding the financial information Treasury needs for the City of Flint. Please submit the following:

1. Monthly cash flow reports (for both General Fund and the Water/Sewer Fund) for the period of 7/1/2015 thru 6/30/16. The report should show the actual cash flow for the months already past and the projected cash flow for the remainder of the city's fiscal year. It should show the ending cash balance assuming that the Shearer decision is upheld and a second balance assuming the Shearer decision is reversed.
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3. Water bill collection history starting 1/1/2015 to present.
4. Reports required by the emergency loan agreement issued in April 2015 (requirements will be sent in a separate letter).

As I mentioned, if the City needs additional resources to help gather this information quickly, Treasury is prepared to offer financial help for the City to retain the help of your auditors. If you want to pursue this please contact Randy Byrne regarding estimated cost.

We look forward to working with the City to identify and secure additional funds from foundations, corporations and the federal government to provide long term solutions for Flint's water system.

Should you have any additional questions or need assistance on the formatting or content of the reports, please do not hesitate to contact Suzanne Schafer at 517-373-0533. We look forward to getting this information as soon as possible.

Thank you, Wayne

As I mentioned, if the City needs additional resources to help gather this information quickly, Treasury is prepared to offer financial help for the City to retain the help of your auditors. If you want to pursue this please contact Randy Byrne regarding estimated cost.

We look forward to working with the City to identify and secure additional funds from foundations, corporations and the federal government to provide long term solutions for Flint's water system.

Should you have any additional questions or need assistance on the formatting or content of the reports, please do not hesitate to contact Suzanne Schafer at 517-373-0533. We look forward to getting this information as soon as possible. Thank you, Wayne

Workman, Wayne (TREASURY)

From: Jody Lundquist <jlundquist@cityofflint.com>
Sent: Wednesday, January 13, 2016 8:16 PM
To: Workman, Wayne (TREASURY)
Cc: Natasha Henderson; Karen Weaver; Saxton, Thomas (Treasury); Byrne, Randall (Treasury); Schafer, Suzanne K. (Treasury)
Subject: Re: Water and General Fund financial information needed

Follow Up Flag: Follow up
Flag Status: Flagged

Approximately two weeks. We can provide this information to you by February 1.

Thanks,

Jody N. Lundquist
Chief Financial Officer
City of Flint

jlundquist@cityofflint.com
(810)237-2441 direct

On Jan 13, 2016, at 4:46 PM, Workman, Wayne (TREASURY) <WorkmanW@michigan.gov> wrote:

Why don't you give us an estimate of and then we can talk it over

Sent from my iPhone

On Jan 13, 2016, at 4:35 PM, Jody Lundquist <jlundquist@cityofflint.com> wrote:

Ms. Henderson,

I will direct my staff to begin compiling this information. While several of the reports will be fairly easily to prepare, others will require analysis and take more time. Are you aware of how quickly this information is needed?

Thank you,

Jody N. Lundquist
Chief Financial Officer
City of Flint

jlundquist@cityofflint.com
(810)237-2441 direct

On Jan 13, 2016, at 4:19 PM, Natasha Henderson <nhenderson@cityofflint.com> wrote:

Workman, Wayne (TREASURY)

From: Baird, Richard (GOV)
Sent: Thursday, January 14, 2016 11:46 AM
To: Clement, Elizabeth (GOV); Workman, Wayne (TREASURY)
Subject: Re: Water bills

Mayors office working on it. Wayne W on point. Wayne?

Sent from my Verizon Wireless 4G LTE DROID

On Jan 14, 2016 11:22 AM, "Clement, Elizabeth (GOV)" wrote:

Do we have numbers from Treasury or the city of Flint that outlines the extent of past due water bills and do we have any proposals of how we can assist in addressing that problem? I know the rate increases contributed to this problem but I am trying to to determine if we have numbers that outline the problem.

Thanks!

Beth

Sent from my iPad

Sampson, Jeremy (TREASURY)

From: Fielek, Joseph L. (Treasury)
Sent: Thursday, January 14, 2016 1:12 PM
To: Luepnitz, Ann (Treasury); Hanses, Bruce (TREASURY); Saxton, Thomas (Treasury); Stanton, Terry A. (Treasury)
Cc: Pleyte, Beth (Treasury); Doyle, Maureen (Treasury); Cousineau, Sara (Treasury); Sampson, Jeremy (TREASURY)
Subject: RE: Review of Draft Presidential Declaration Request-Approval Needed by Today at 1:30PM

FYI – the only reference to Treasury is on page 4 of the request letter as indicated below:

With input from the Department of Treasury, MDTED assessed that the most significant immediate negative impact will be the economic effects of such things as decreased property values, lost business activity (new businesses will not move to Flint and existing businesses that rely on clean water, such as restaurants, will be hurt), lost employment, population loss (renters will leave the city). Residents and businesses will also have to pay extra for bottled water, so the extra spending on water will take away from other spending. It is relatively easy for residents to move some of their economic/spending activity outside the city, so the Flint economy will be hurt. These impacts will create an economic downturn in Flint. In terms of personal income losses, a three to four percent loss in nominal personal income in the City of Flint seems a reasonable estimate, which would equal a negative impact of \$85 million to \$115 million per year in lost economic activity. Long-term, there will be the significant cost of a new water system. Direct health related costs, estimated by MDHHS, are in addition to this estimate.

So I would say for the most part we have no other comment to make regarding this correspondence.

From: Luepnitz, Ann (Treasury)
Sent: Thursday, January 14, 2016 12:48 PM
To: Hanses, Bruce (TREASURY) <HansesB@michigan.gov>; Fielek, Joseph L. (Treasury) <FIELEKJ@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Cc: Pleyte, Beth (Treasury) <PleyteB@michigan.gov>; Doyle, Maureen (Treasury) <DoyleM4@michigan.gov>; Cousineau, Sara (Treasury) <CousineauS@michigan.gov>
Subject: FW: Review of Draft Presidential Declaration Request-Approval Needed by Today at 1:30PM
Importance: High

All:

I received the attached documents from MSP EMHSD a few minutes ago. Treasury needs to review and approve the two documents: 1) the letter to President Obama and 2) an associated FEMA request form before they sent to the Governor's office for final review and editing. The approval is needed based on information provided by the Michigan Department of Treasury on page 4 of the Declaration Request Cover Letter attached.

Can any of you tell me who should approve this? This has been promised to the Governor by early afternoon, our approval needs to be returned to Tony Katarsky by no later than 1:30 PM today. Please let me know or call me at 517-
[REDACTED] to discuss.

Thanks,

Ann Luepnitz Manager
Facility, Mail, and Data Operations

Phone: 517-636-5335
Cell: 517-410-3275
Fax: 517-322-1631

From: Katarsky, Anthony (MSP)

Sent: Thursday, January 14, 2016 12:17 PM

To: Deacon, Brad (MDARD) <deaconb9@michigan.gov>; Lixey-Terrill, Jennifer (DHHS) <LixeyTerrillJ@michigan.gov>; Manning, Peter (AG) <ManningP@michigan.gov>; Towne, Karen (LARA) <TowneK2@michigan.gov>; Feldpausch, Lynne (MEDC) <feldpauschl@michigan.org>; Doll, Jeanette (DTMB) <dollj@michigan.gov>; Wolf, Jennifer (DNR) <WOLFJ1@michigan.gov>; chad.d.randall.mil@mail.mil; Burgess, Louis (MDE) <burgessl@michigan.gov>; Kirby, Catherine (DIFS) <kirbyc@michigan.gov>; Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov>
Cc: Thelen, Richard (DHHS) <ThelenR4@michigan.gov>; Kelenske, Chris (MSP) <KelenskeC@michigan.gov>; Weber, Thomas (MSP) <WeberT1@michigan.gov>

Subject: Review of Draft Presidential Declaration Request

Attached for review and approval by your agency are two documents: 1) the letter to President Obama and 2) an associated FEMA request form. Both are based on information provided state agencies. Please review for content before they are sent to the Governor's office for final review and editing. This has been promised to the Governor by early afternoon, so please review as quickly as possible, but no later than by 1:30 PM.

Please let me know if you have any questions by calling my cell at 517-██████████

Anthony P. Katarsky
Assistant Division Commander
Michigan State Police
Emergency Management and Homeland Security Division
517-336-2686

REQUEST FOR PRESIDENTIAL DISASTER DECLARATION
COVER LETTER
MAJOR DISASTER OR EMERGENCY

January 14, 2016

The Honorable Barack Obama
President of the United States
The White House
Washington, D. C.

Through: Mr. Andrew Velasquez III, Regional Administrator
FEMA Region V
536 South Clark Street, 6th Floor
Chicago, IL, 60605

Dear Mr. President:

Under the provisions of Section [Major Disaster citation (401), Emergency citation (501)] of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5207] (Stafford Act), and implemented by 44 CFR §, Emergency citation (206.35)], I request that you declare an *Emergency* for the State of Michigan as a result of the elevated blood lead levels of citizens, especially children, within the City of Flint which was demonstrated in October, 2015.

Impact and Trauma

As a result of the cooperative monitoring efforts in place by the City, State and Environmental Protection Agency (EPA), and the painstaking work of doctors at Hurly medical center, elevated blood lead levels (EBLLs) were discovered, and the County issued a *do not drink order* on October 1, 2015. As of the most recent update 2,182 Flint residents have been tested for lead levels and 43 residents have exhibited elevated blood lead levels. Of those, 23 were children under the age of six, the most likely age group to be impacted long term. One child was hospitalized, treated, and released. No deaths have been associated with this emergency.

The situation becomes more complex as the Michigan Department of Health and Human Services has observed a spike in the Flint area of Legionella which also occurred in roughly the same time frame. This too will be investigated for any potential link to the water system. While unlikely to be related to the water system, this new problem adds to the negative psychological impacts on mental health that have become extensive.

Additionally, the economic and psychological impact this has had on the community is severe. While water is flowing through the tap, it is considered unusable for any purposes by a large percentage of the populace. Mistrust in government is at a heightened level, and so, while water is safe for non-consumptive uses, people are understandably concerned. Special populations are especially vulnerable in this crisis as they are often unable to access available vital nutrition or water resources. Assistance with the Individuals and Households Program will be vital to recovery.

With the extent of time between the inception of Flint River water until the return to Detroit Water and Sewerage Department and re-treatment of the mains and pipes by the City, it is impossible to know the extent of those individuals who suffered the effects of EBLL. The duration of an EBLL can vary significantly depending on season, diet and other factors. The detection of substantial increases in EBLLs suggests a much higher rate over the duration of the emergency is likely.

Voluntary Efforts

Voluntary agencies have been assisting since early in the emergency. United Way and 2-1-1 are the central call bank and donation resource for people needing assistance or wishing to donate. The American Red Cross has established a Disaster Recovery Operation and also is providing warehousing management. On January 13, 2016, with the establishment of the (Volunteer Reception Center (VRC), the Michigan Voluntary Organizations Active in Disaster (MI-VOAD) is conducting a conference call to determine how it can more fully activate (several member organizations have already activated). Numerous local voluntary organizations including the Genesee County Community Action Resource Department and the Food Bank of Eastern Michigan are serving key roles in the acquisition and distribution of water.

A State of Emergency was declared on January 5, 2016 for the County of Genesee and City of Flint. Pursuant to Michigan's Public Act 390, both the City of Flint and the County of Genesee declared local states of emergency on December 14, 2015 and January 4, 2015, respectively.

The effect of this emergency has been the loss of potable water for the entire City of Flint. This includes its residents, businesses and worker population. It includes those who live outside and travel in to take advantage of work, school, or recreational activities. And it even includes all pets and other domestic animals living in the city.

The City of Flint has estimated the cost of replacing corroded infrastructure at \$767,419,500. Of that, \$54,619,500 is private and \$712,800,000 is public. These numbers are based on an estimate compiled by the Genesee County Department of Equalization estimates of \$25 per linear foot to remove and replace damaged private service lines. Both Individual Assistance – IHP, and Public Assistance – Category B, will be crucial to helping the city and her residents recover. The State has also invested over \$10 million so far in emergency protective measures and will be expending much more, some details of which are provided in the public assistance portion of this letter.

Recognizing their responsibility to make their community as disaster-resilient as possible, be advised that all affected jurisdictions that are the subject of this request have in place a current, federally/FEMA approved, Disaster Mitigation Act of 2000-compliant Hazard Mitigation Plan. The plan was adopted January 26, 2015, and under Michigan's Emergency Management Act, Public Act 390, as amended, the City of Flint is included in Genesee County's mitigation plan and emergency management program. Similarly, the State of Michigan has also made a strong commitment to mitigate hazards and has met applicable federal standards: the Michigan Hazard Mitigation Plan was approved by FEMA on April 23, 2014 as a Standard State Hazard Mitigation Plan under the Disaster Mitigation Act of 2000.

The following information is furnished on the nature and amount of State, local, or Indian tribal government resources that have been or will be used to alleviate the conditions of this emergency:

Michigan State Police, Emergency Management and Homeland Security Division (MSP/EMHSD or EMHSD)

In response to Flint's water emergency, the EMHSD has undertaken bulk distribution of water, filters, filter cartridges, and test kits throughout the City of Flint. Working closely with the mayor's office, the EMHSD has identified Points of Distribution (PODs) throughout the city and have begun training troopers and volunteers to canvass the city to provide these commodities to households.

EMHSD is also maintaining overall coordination of the incident, both through the State Emergency Operations Center, and through members of an incident management assistance team in the local Genesee County EOC.

EMHSD – GIS Unit

On Friday, January 8, 2016 GIS staff met with the City of Flint's Department of Public Works (DPW) to begin defining the scope of the affected area for the incident. The critical data layers needed to define where lead pipes are present needs significant updating before an accurate picture can be created.

DPW estimated that approximately 80% of the parcels within the city may have lead piping within their services lines from the water main to the house. Based on preliminary processing of the analog map data that DPW was able to provide, we have noted that newer sections of the city (post 1950) tend to be copper piping and do not have a prevalence of lead. In contrast, the older areas of the city tend to have sparse concentrations of lead, but often the records for these areas are incomplete.

In order to effectively determine where the affected area is EMHSD is working with DPW and the University of Michigan – Flint to digitize many of DPW's old analog maps to extract the pipe status. Even when this initiative is complete, it will remain unclear if the data will prove to be very accurate as the source data is considerably out of date. With the comprehensive water testing plan that the DEQ is implementing, problem areas for the city will be identified so that manual inspections of the underground pipes can be done to confirm the presence of lead.

Michigan Department of Military and Veterans Affairs (MDMVA)

As of January 13, 2016, I authorized activation of the Michigan National Guard to assist the people of Flint and the surrounding communities served by the water department. The Guard will help to broaden the distribution of water, filters, and test kits throughout the water department's service area.

Department of Health and Human Services – Health (MDHHS – H)

MDHHS-H is unique in that it responds to the types of emergencies being experienced by Flint as part of its daily mission. The unique aspect is the potential additional impact to the department's work due to the water emergency.

The MDHHS continues to work closely with local partners to ensure that impacted individuals, especially children younger than six years of age, are being tested at the State Laboratory for elevated blood lead levels (EBLLs). Including working closely with the local primary care provider community and WIC clinics to emphasize the importance of blood lead level screening for children. A technical workgroup comprised of Medicaid data and public health surveillance experts have developed Medicaid specific EBLL testing goals. The department updated its data surveillance methods for blood lead level testing to ensure the most up-to-date, accurate information is being reviewed. Ongoing efforts include enhanced epidemiological disease surveillance. Results are made available through summary reports on the www.michigan.gov/flintwater website, indicating the number tested and with elevated levels.

The MDHHS is partnering with the Genesee County Health Department to ensure families are being offered case management support, which incorporates environmental investigations. The state continues to distribute free water filters to Flint residents with replacement cartridges available at multiple locations. In October, community outreach was initiated for distribution of educational materials for parents, families, and healthcare providers in Flint. These materials were also distributed to all children in Flint schools highlighting the importance of blood lead level testing, effects of lead exposure and the importance of nutrition. MDHHS has been proactively monitoring the Ready to Feed formula use and coordinating with manufacturers and WIC retailers to address any supply or distribution issues with infant formula availability.

MDHHS-H has generated the potential expected impact of this emergency on future health costs. They include as much as \$12,000,000 in secondary prevention – education; \$1,575,000 in secondary and tertiary prevention – nutrition; Direct medical health costs are estimated at \$18,280,849 with \$120,875,000 in secondary and tertiary medical expenses;

Department of Talent and Economic Development (MTED)

MTED is comprised of the Michigan State Housing and Development Authority (MSHDA), Michigan Economic Development Corporation (MEDC) and the Talent Investment Agency (TIA).

Our combined efforts are focused on short and long-term assistance to the Townships of Mt. Morris, Flint, and Genesee; the Cities of Flint and Burton; and Genesee County through various grants and potential infrastructure assistance. MSHDA has identified allowable funds to assist residents with MSHDA-backed mortgages and the purchase of water/water filters for low income households. MEDC is focused on infrastructure development and qualifying funds for this purpose

Based on available sources, MTED has assessed potential impacts to the economy of Flint resulting from the water crisis. We developed the attached analysis that looked at 4 potential long term costs associated with certain blood lead levels, which are:

- Lifetime earnings loss total
- Lead Health Care Treatment Costs
- ADHD Treatment Costs
- Special Education Costs

With input from the Department of Treasury, MDTEd assessed that the most significant immediate negative impact will be the economic effects of such things as decreased property values, lost business activity (new businesses will not move to Flint and existing businesses that rely on clean water, such as restaurants, will be hurt), lost employment, population loss (renters will leave the city). Residents and businesses will also have to pay extra for bottled water, so the extra spending on water will take away from other spending. It is relatively easy for residents to move some of their economic/spending activity outside the city, so the Flint economy will be hurt. These impacts will create an economic downturn in Flint. In terms of personal income losses, a three to four percent loss in nominal personal income in the City of Flint seems a reasonable estimate, which would equal a negative impact of \$85 million to \$115 million per year in lost economic activity. Long-term, there will be the significant cost of a new water system. Direct health related costs, estimated by MDHHS, are in addition to this estimate.

Department of Environmental Quality (MDEQ)

On October 1, 2015 the State Chief Medical Officer confirms Hurley Children's Hospital blood lead level data. On this same date the Genesee County Health Department issued the customers of the Flint Water Treatment Plant a "Do Not Drink" advisory. On October 2, the state announces the Governor's Flint action plan. On October 15, 2015 the state legislature authorizes \$9.35 million to help fund the City's return to purchasing treated water from the DWSD, and to fund comprehensive lead evaluations at City schools, provide free water filters for residents, provide free in-home water tests for residents, and provide free blood lead level testing and follow-up services.

On October 16, 2015 the Flint Water Treatment Plant reverted its source back to DWSD. On October 28, 2015 the MDEQ issued a construction permit for additional corrosion control treatment.

The MDEQ is supporting the response with incident management personnel, lead and copper water test kits and analysis and investigative teams. The connection to the Karegnondi Water Authority is scheduled to be completed in mid to late 2016.

MDEQ estimates cost impacts in the amount of \$9.55 million. This includes \$7.8 million to keep Flint on the Detroit system until January 1. It also includes \$250,000 in chemicals needed for Flint to test the new water system once it is in place, and \$1.5 million for 10 staff and lab equipment. The staff will be responsible for providing additional school and residential sampling and laboratory testing as well as expertise related to corrosion control and service line verification.

Department of Health and Human Services – Human Services (MDHHS- HS)

MDHHS has been working steadily to provide assistance to the local community through several different programs listed below.

Healthy foods. MSU-Extension has been giving out recipes of healthy foods that will help counter the effects of lead, but residents must be able to purchase the ingredients. Many have a Bridge Card and can utilize the double up food bucks but it still requires additional healthy fruits and vegetables. Some residents who have the elevated blood levels may not have a Bridge Card and purchasing fresh fruits and vegetables is a burden due to higher costs.

In some homes the plumbing is very poor, as a result the faucet filters may not fit. The cost of paying for city water that the residents can't use is astronomical. As a scenario, residents have to make a choice to buy food, or pay for water to flush toilets, bathe, wash clothes etc. A typical water bill in a home with good plumbing for a family of 2 is \$98 per month. For a family of 4 with leaks etc. it could be about \$150 or more per month.

Additional ongoing testing will be required for those with EBLs - treatment long-term, tutoring, behavior specialists, and mental health services are all long-term effects.

The state and city's poverty rates are given in the table "Michigan – Genesee – Flint Demographic Summary" on page 7.

- In addition to the general numbers in the table, the number of children age 0-17 living in poverty, has risen substantially:
 - 2012: 31.8% - 2006: 25.4%
- The median income for Flint residents between 2009 and 2013 was markedly lower than the state's median income, also shown in the table "Michigan – Genesee – Flint Demographic Summary" on page 9.
- Overall, Genesee County ranked 73 out of 83 counties for child well-being (with 1 being best). For poverty, Genesee County ranked 69 among the state's 83 counties.
- In Genesee County, 55.5% of students are eligible for free or reduced price school lunches compared to 38 % in 2006.
- Children age 0-5 eligible for Supplemental Nutrition Assistance Program (SNAP)
 - 2013: 47% - 2006: 35.4%
- 21.8% of students did not graduate on time in 2013.
- The following table, "MDHHS Program Data" shows the numbers of recipients of programs offered by MDHHS.

MDHHS Program Data

City of Flint		
Program	Cases	Recipients
Food Assistance Program (FAP)	35,231	57,974
Family Independence Program (FIP) [TANF]	1,917	4,578
State Disability Assistance (SDA)	233	234
Child Development and Care (CDC)	1,406	2,607
State Emergency Relief (SER)	460	n/a
Medicaid (MA)	52,735	82,117

Department of Agriculture and Rural Development (MDARD)

Part of MDARD's coordinated outreach includes contact with businesses, particularly food related businesses, to evaluate the safety of the water they use in their products.

Water safety also impacts animals. As a precautionary measure, MDARD included pets, service animals, and other domestic animals in their messages to families about water. They also reached out to the veterinary and animal care communities to bring their attention to this issue.

Through Michigan's funds and the USDA's Rural Development's programs, we are working to build and grow regional food systems, including the food hub and incubator kitchen at the Flint Farmers' Market. Through additional federal and state investments as well as public-private partnerships, we can help address some of the challenges to a nutritious food system. This is a critical component of responding to lead blood levels as good nutrition is one of the most effective treatments.

There are 549 Food Service establishments (includes restaurants as well as schools, which are being handled by Department of Education) and 337 Food Establishments (includes grocery, convenience stores, vending machines, etc.). In both cases we are identify higher priorities. All of those received a letter in October with guidance; all of them will receive revised guidance as soon as it is approved. There are 97 gas stations within the city which are within those food license numbers, but we are planning additional outreach to them as part of our efforts. MDARD will be working with on potential next steps with the Flint Farmers' Market.

No animal shelters exist in the water service area that we are aware of. The primary focus is and should be on residences where they also have pets. There are two vet clinics in the City, and we were making individualized follow up calls with them; all veterinarians in the region were contacted last week by Michigan Veterinary Medical Association.

MDARD has been in close coordination with DEQ, DHHS, and Genesee County Health Department on the protocol for using water. Guidance put out last fall was jointly issued by all four agencies. MDARD has also worked with other agencies on water sampling protocols. Compliance with new protocols will be a top priority.

Department of Insurance and Financial Services (DIFS)

DIFS is prepared to assist individuals with questions relating to their health insurance coverage or any health insurance claims that are not covered by their health insurer.

The losses experienced in Flint would not be a covered loss under property insurance. It is unlikely that there will be any remedy under property insurance to assist with the replacement of lead service lines. The estimate provided by the Department of Environmental Quality of \$4,000 per service line would be multiplied by the ultimate number of lead service lines identified when the study is complete.

Department of Technology, Management and Budget (DTMB)

DTMB has been helping to procure water, filters and refill cartridges, 7 trucks and drivers have been deployed to assist with delivering supplies to Points of Distribution (PODs) and assisting with neighborhood visits. More are being procured.

DTMB also facilitated the establishment of the Joint Information Center (JIC) at the Flint State Office Building and provided additional security at the building. They have also established a lease agreement for 100,000 square feet of warehouse space in the city to use for water, filters and supplies and provided guidance and assistance with agencies in their contracts along with IT needs.

Procurements include:

- Truckloads of water - 32; Equating to gallons, this is approximately 250,000 gallons over two days, and this is anticipated to double.
- Brita faucet filters – 27,000
- Brita Replacement filters – 1,600
- PUR faucet filters – 12,500
- PUR 3-pack replacement filters – 40,000

Disaster History/Long Term Recovery Continues

The State of Michigan has had two Governor's declarations in the previous 12 months, the Portland Tornado in June, 2015, and the Grand Traverse and Leelanau Straight Line Winds in August, 2015. Additionally, the state continues to work on Public Assistance and Long Term Recovery from the Southeast Michigan Flood of August, 2014.

The State, in addition to Stafford Act assistance from DR-4195, has made disaster funding available from state funds through Sections 18 and 19 of Public Act 390, the Michigan Emergency Management Act.

While the responses to Portland and Grand Traverse/Leelanau successfully responded to the impacts, the Long Term Recovery in Southeast Michigan continues to face many challenges. Several voluntary organizations work in Detroit proper to continue rebuilds and even muck-outs from the flooding of 2014. Resurgent black mold plagues many households, and the rebuild efforts continue to struggle with unmet needs such as furnaces. A Long Term Recovery committee meets regularly to establish funding opportunities, identify needs, and communicate the needs, but resources continue to be difficult to obtain, at best. The Southeast Michigan Flood Recovery Group (SEMIFRG) in cooperation with the Urban Studies Center at Wayne State University estimates that there remain 14,992 homes still in need of intervention resulting from the 2014 flood, with estimated repairs reaching as much as \$144,477,500.

Demographics

Genesee County, and particularly the City of Flint, experience rates of poverty significantly higher than both the nation and the state. Genesee County's poverty rate is a full 5.6% above the national average, and the City's rate is nearly double the county's. Household income lags significantly behind national and state median income in the county, and the city is less than half the national median income. To exacerbate the problem, especially of lead, which impacts young children so significantly, the percentage of children under 5 living in Flint exceeds the national, state, and county rate. The elderly population is slightly lower in the City of Flint, but the percent disabled is significantly higher, 8.1 percentage points above the national rate. Unemployment too is significantly higher than national and state rates. As of September, 2015, prior to the emergency, The City of Flint's unemployment rate was 9%; nearly double the state rate of 5% and national rate of 5.1% However, looking at the U.S. Census American Community Survey 5 year average a prolonged period of very high unemployment is seen, over 26.3%. The table below shows the unemployment rate in Flint has been nearly three times the national average over the past 5 years.

Michigan – Genesee – Flint Demographic Summary

	Average of Persons Below Poverty Level*	Median Household Income*	Percent Children under 5	Percent Elderly*	Percent Disabled*	Percent Pre-Disaster Unemployment*
US Average	15.6%	\$53,482	6.4%	13.7%	12.3%	9.2%
State of Michigan	16.9%	\$49,087	5.9%	14.6%	13.9%	11.4%
Genesee County	21.2%	\$41,879	6.2%	14.7%	16.1%	15.5%
City of Flint	41.6%	\$24,679	7.8%	11.7%	20.4%	26.3%

* U.S. Census Bureau American Community Survey 2010-2014, Selected Social Characteristics in the U.S. (5 year estimates)

Public and Individual Assistance

The relevant category under PA is B, Emergency Protective Measures.

In the October to December time frame, the State made an emergency appropriation to return Flint to Detroit water. The appropriation included several emergency measures which included testing, case management for those affected, and short and long term health care strategies. The state's commitment to those measures was \$9.35 million. As part of the return to Detroit water, the City of Flint also committed to expending \$2 million, and the Charles Mott Foundation committed \$4 million. Current emergency response measures include the distribution of approximately 1 gallon of water per day per resident, a filtration cartridge to every household, a cartridge refill, and a water testing kit. These measures are require approximately \$9.55 million to keep Flint on Detroit water until Karagrandi is available and \$22 million to distribute water, filters and testing kits until the emergency is resolved.

For Individual Assistance, under Housing Assistance, there is an estimated need of approximately \$53,000,000 to help individuals eliminate damaged lead service lines on their properties.

The City's water system was damaged by the introduction of a new source of water with a different chemical composition. A "coating" that is maintained by chemical treatment at different levels, depending on the water source decomposed and underlying lead pipes and lead solders began to leach into the water. Ultimately, this lead to the significant EBL problem noted throughout this letter and numerous public reports. The extent of lead in the City's system at this time is difficult to determine. Much of the system has not been mapped, but the City's best estimate right now is that as much as 80% could contain lead components. The map attached as Figure 2, shows pipe composition in the northwest part of the city (the newest), so the percentage would be lower here than in older parts of the city. The University of Michigan – Flint is assisting the city with the digitization of historic hand-written records.

Insurance

The City of Flint is self-insured, so there is no outside insurance resource for this emergency.

Concluding Statement

In response to this emergency, I took appropriate action under state law and directed the execution of the Michigan Emergency Management Plan on January 5, 2016, in accordance with Section 401 of the Stafford Act. On that same date, under my authority as Governor I also proclaimed a State of Emergency for Genesee County, including the City of Flint, and directed state departments and agencies to utilize all available resources necessary to assist the aforementioned county and local political subdivision in responding to and recovering from this emergency. Numerous state departments and agencies had already initiated response actions prior to my formal proclamation, in accordance with their assigned missions in the Michigan Emergency Management Plan. These actions included but were not limited to: providing direct assistance to the affected communities and to individuals.

I have determined that this incident is of such severity and magnitude that effective recovery is beyond the capabilities of the State of Michigan and the affected local governments and that emergency federal relief assistance is necessary. I am specifically requesting activation of both Individual Assistance and Public Assistance for the affected county and jurisdictions specified in this request. Preliminary estimates of the types and amount of Individual Assistance and Public Assistance needed under the Stafford Act are estimated in FEMA Form 010-0-13.

I am requesting Direct Federal Assistance from other agencies who's resources and expertise can be brought to their relevant areas of expertise, including but not limited to the CDC, EPA, USDA, HHS, HUD, SBA, and USACE.

I certify that for this emergency, the state and local governments will assume all applicable non-federal share of costs required by the Stafford Act.

I have designated Capt. Chris A. Kelenske of the Michigan State Police, Emergency Management and Homeland Security Division, as the State Coordinating Officer for this request. He will work with the Federal Emergency Management Agency on recovery program implementation and may provide further information or justification on my behalf.

Sincerely,

Richard D. Snyder
Governor

Enclosures

OMB No. 1660-0009/FEMA Form 010-0-13

DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY

OMB No. 1660-0009 Expires March 31, 2016

**REQUEST FOR PRESIDENTIAL DISASTER DECLARATION
MAJOR DISASTER OR EMERGENCY**

1. Request Date Jan 14, 2016

Burden Disclosure Notice

Public reporting burden for this form is estimated to average 9 hours per response. The burden estimate includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and submitting the form. This collection of information is required to obtain a benefit. You are not required to respond to this collection of information unless it displays a valid OMB control number. Send comments regarding the accuracy of the burden estimate and any suggestions for reducing the burden to: Information Collections Management, Department of Homeland Security, Federal Emergency Management Agency, 500 C Street SW, Washington, DC 20472, Paperwork Reduction Project (1660-0009). **NOTE: Do not send your completed form to this address.**

Completion of this form including applicable attachments satisfies legal requirements for emergency and major disaster declaration requests under 42 U.S.C. §§ 5170 and 5191, respectively, as implemented at 44 C.F.R. §§ 206.35 and 206.36. Failure to use this form may result in a failure to meet these requirements and/or a delay in processing the request.

2a. Name of State (as defined in Stafford Act 102, 42 U.S.C. § 5122) or Indian tribal government requesting declaration.

Michigan

2b. Population (as reported by 2010 Census) or estimated population of Indian tribal government's damaged area(s).

9,883,640

3. Governor's or Tribal Chief Executive's Name

Richard D. Snyder

4. Designation of State or Tribal Coordinating Officer upon declaration (if available) and phone number

Captain Chris A. Kelenske Office: 517-333-5042 Cell: 517-719-1194

5. Designation of Governor's Authorized Representative or Tribal Chief Executive Representative upon declaration (if available) and phone number

Mr. Anthony Katarsky Office: 517-336-2686 Cell: 517-242-5371

6. Declaration Request For: ☐ Major Disaster (Stafford Act Sec. 401) ☒ Emergency (Stafford Act Sec. 501(a))

7. Incident Period: Beginning Date _____ End Date _____

or ☒ Continuing

If requesting a "continuing" incident period, enclose an official statement from a qualified Federal Government agency acknowledged as a national authority in a specific incident field (e.g., United States Geological Survey for seismic incidents, the National Weather Service for flooding).

7b. Type of Incident (Check all that apply)

- ☐ Drought ☐ Earthquake ☐ Explosion ☐ Fire ☐ Flood ☐ Hurricane ☐ Landslide ☐ Mudslide
☐ Severe Storm (rain, high water, wind-driven rain, hail, lightning) ☐ Snowstorm (Must include Enclosure D: Historic and Current Snowfall Data) ☐ Straight-Line Winds
☐ Tidal Wave ☐ Tornado ☐ Tropical Depression ☐ Tropical Storm ☐ Tsunami ☐ Volcanic Eruption ☐ Winter Storm
☒ Other (please specify) Public Health

8. Description of damages (Short description of impacts of disaster on affected area and population). Include additional details in enclosed Governor's or Tribal Chief Executive's cover letter.

In early May 2014, the City of Flint switched from the Detroit Water and Sewerage Department (DWSD) to water from its own water treatment plant drawn from the Flint River as its primary water source. The different characteristics of the water resulted in leaching of lead from lead pipes in the city's water infrastructure into the water supply. Increased exposure to lead can cause immediate negative health effects. However, the main health concerns are long-term effects in children such as developmental and cognitive delays, and behavioral disorders. Increased water lead levels and elevated blood lead levels in young children were observed in the City of Flint and confirmed by the State Chief Medical Officer. Based on the 2010 U.S. census data, the population of the City of Flint is 99,002. Census data puts the percentage of the total population under the age of 5 at 8% or approximately 8,200. Children in under 6 are high-risk stage of growth for lead exposure. Approximately 2,182 residents have been tested for lead blood levels as a result of this incident with 43 exhibiting EBL. The 2010 census data identifies 40,017 households and 51,321 housing units within the City of Flint. All of these households obtain their potable water from the city.

9. Description of the nature and amount of State and local or Indian tribal government resources which have been or will be committed. Include additional details in enclosed Governor's or Tribal Chief Executive's cover letter.

All appropriate local, regional and state resources were used to their maximum in responding to and recovering from this public health emergency. This included equipment, personnel, materials and supplies, facilities, technical expertise (including emergency contracting, as appropriate), and financial resources. When local and regional resources (including partner voluntary relief organizations and other community-based organizations) were not sufficient to address incident conditions, or very specialized resources were required to perform specialized response and/or recovery functions, State of Michigan resources were activated to address capability shortfalls. State agencies actively involved in the response and recovery activities in the SEOC and/or field include the Michigan Departments of State Police, Agriculture and Rural Development, Attorney General, Civil Rights, Corrections, Education, Environmental Quality, Health and Human Services, Insurance and Financial Services, Licensing and Regulatory Affairs, Military and Veterans Affairs, Natural Resources, and Talent and Economic Development. Details are in the cover letter.

10. Joint Preliminary Damage Assessment*

☐ Individual Assistance Dates Performed Requested Start End

Individual Assistance Accessibility Problems (Areas that could not be accessed, and why)
N/A

☐ Public Assistance Dates Performed Requested Start End

Public Assistance Accessibility Problems (Areas that could not be accessed, and why)
N/A

11. Programs and Areas Requested

Individual Assistance ☐ N/A ☒ Individuals and Households Program ☐ Crisis Counseling Program ☐ Disaster Unemployment Assistance
☐ All ☐ Disaster Case Management ☐ Disaster Legal Services

For the following jurisdictions, specify programs and areas (counties, parishes, independent cities; for Indian tribal government, list tribe(s) and/or tribal area(s)) If additional space is needed, please enclose additional documentation).

Townships of Mt. Morris, Flint and Genesee; Cities of Flint and Burton; County of Genesee

We request all available programs. The Individual and Households Program will be needed to assist residents/water service customers with an estimated \$53,000,000 to repair damaged lead service lines on private property.

For States, identify Federally-recognized Tribes in the requested counties (if applicable).
N/A

Please see Enclosure A: Supplemental Information for Individual Assistance for additional information in support of this request*.

*Not Required for Emergency Declaration Request

11. Programs and Areas Requested (Continued)

Public Assistance ☐ N/A ☐ Debris Removal (Category A) ☒ Emergency Protective Measures (Category B) ☐ Permanent Work (Categories C-G)*
(not available for Emergency Declaration Requests)

For the following jurisdictions, specify programs and areas (counties, parishes, independent cities; for Indian tribal government, list tribe(s) and/or tribal area(s)). If additional space is needed or your request includes different categories of work for different jurisdictions; please enclose additional documentation.

Townships of Mt. Morris, Flint and Genesee; Cities of Flint and Burton; County of Genesee

We request all available programs. Emergency Protective Measures have been and will continue to be implemented with estimated costs in the range of \$41,000,000.

For States, identify Federally-recognized Tribes included in the requested counties (if applicable).

N/A

Please see Enclosure B: Supplemental Information for Public Assistance for additional information in support of this request*.

Indemnification for Debris Removal Activity

☒ I do not anticipate the need for debris removal.

I anticipate the need for debris removal, which poses an immediate threat to lives, public health and safety. Pursuant to Sections 403 and 407 of the Stafford Act, 42 U.S.C. §§ 5170b & 5173, the State or Indian tribal government agrees to indemnify and hold harmless the United

☐ States of America for any claims arising from the removal of debris or wreckage for this disaster. The State or Indian tribal government agrees that debris removal from public and private property will not occur until the landowner signs an unconditional authorization for the removal of debris.

Request for Direct Federal Assistance

☐ I do not request direct Federal assistance at this time.

☒ I request direct Federal assistance for work and services to save lives and protect property, and:

a. I request the following type(s) of assistance:

Emergency work and protective measures to save lives, protect public health and safety and to protect property, for state and local governments; including but not limited to the provision of food, water and other consumable commodities. Assistance from CDC, EPA, HHS, HUD, SBA and any other agencies with responsibilities related to health, nutrition, and water infrastructure.

b. List of reasons why State and local or Indian tribal government cannot perform, or contract for, required work and services.

State and local resources can not meet the demand for filters, cartridges, water, and water testing at each residence; or the physical and mental health or nutrition needs of the affected population of 40,509 households with approximately 99,002 residents. The city is not able to repair its water system and the state has responded, but the response needs far exceed the state's capability, in addition to continuing response to other disasters, including the 2014 flooding in metro Detroit.

c. In accordance with 44 C.F.R. § 206.208, the State or Indian tribal government agrees that it will, with respect to direct Federal assistance: (1) Provide without cost to the United States all lands, easements, and rights-of-ways necessary to accomplish the approved work; (2) Hold and save the United States free from damages due to the requested work, and shall indemnify the Federal Government against any claims arising from such work; (3) Provide reimbursement to FEMA for the non-Federal share of the cost of such work in accordance with the provisions of the FEMA-State or FEMA-Tribe Agreement; and (4) Assist the performing Federal agency in all support and local jurisdictional matters.

Request for Snow Assistance

☒ N/A ☐ I request snow assistance.

Snow assistance for the following jurisdictions (Specify counties, independent cities or tribes and/or tribal areas).

Please see Enclosure D: Historic and Current Snowfall Data for additional information in support of this request*.

*Not Required for Emergency Declaration Request

11. Programs and Areas Requested (Continued)

Hazard Mitigation* ☐ Statewide

OR

For the following specific counties, parishes, independent cities or tribes and/or tribal areas.
N/A

12. Mitigation Plan Information*

a. Mitigation Plan Expiration Date April 23, 2019 b. Type of Plan ☐ Enhanced ☒ Standard

13. Other Federal Agency Programs

☐ I do not anticipate requirements from Other Federal Agencies ☒ I do anticipate requirements from Other Federal Agencies

Please see Enclosure C: Requirements for Other Federal Agency Programs for additional information in support of this request*.

14. Findings and Certifications

☒ I certify the following:

a. I have determined that this incident is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local government or Indian tribal government and that supplementary federal assistance is necessary.

b. In response to this incident, I have taken appropriate action under State or tribal law and have directed the execution of the State or Tribal Emergency Plan on Jan 5, 2016 in accordance with the Stafford Act.

c. The State and local governments, or Indian tribal government will assume all applicable non-Federal share of costs required by the Stafford Act.

15. List of Enclosures and Supporting Documentation

☒ Cover Letter ☐ Enclosure A (Individual Assistance)* ☐ Enclosure B (Public Assistance)*
☐ Enclosure C (Requirements for Other Federal Agency Programs) ☐ Enclosure D (Historic and Current Snowfall Data)
☐ Additional Supporting Documentation _____

Governor's or Tribal Chief Executive's Signature

Jan 14, 2016

Date

If anyone except the Governor or Tribal Chief Executive signs this document, please provide the documentation that establishes that this individual has the legal authority to act on behalf of the Governor or Tribal Chief Executive.

*Not Required for Emergency Declaration Request

Workman, Wayne (TREASURY)

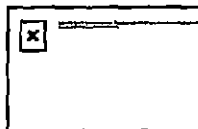
From: Sharon Workman [REDACTED]
Sent: Thursday, January 14, 2016 1:01 PM
To: Workman, Wayne (TREASURY)
Subject: Fwd: Drinking water emergency

Follow Up Flag: Flag for follow up
Flag Status: Flagged

fyi - just got this

Begin forwarded message:

From: Team Lon <lonjohnson@lonjohnson.com>
Subject: Drinking water emergency
Date: January 14, 2016 at 12:11:09 PM EST
To: Sharon Workman <[REDACTED]>
Reply-To: lonjohnson@lonjohnson.com



Sharon,

Access to clean and safe drinking water is a fundamental right for Michigan families and a top responsibility for our state's elected officials.

The current drinking water emergency in Flint demonstrates how Governor Rick Snyder and others in Lansing have failed to live up to this responsibility and protect the public's safety.

[Sign on and demand Governor Snyder take action to solve the drinking water emergency in Flint >>](#)

Instead of focusing on the health of families in our communities, our state's leadership has shifted its attention elsewhere.

It's time we return to a government that's every bit as hardworking and honest as the people who pay for it.

Will you sign on and tell our elected officials in Lansing to fix the drinking water crisis?

Sign here: <http://action.lonjohnson.com/water-emergency>

Thanks for your time,

Team Lon

Paid for by Lon Johnson for Congress

This message was sent to swworkman@centurytel.net | Change or update your email address by [clicking here](#)

We believe that emails are a crucial way for our campaign to stay in touch with supporters like you. However, if you'd just like to receive fewer emails, you can [click here](#).

Luepnitz, Ann (Treasury)

From: Luepnitz, Ann (Treasury)
Sent: Thursday, January 14, 2016 1:23 PM
To: Katarsky, Anthony (MSP)
Cc: Thelen, Richard (DHHS); Kelenske, Chris (MSP); Weber, Thomas (MSP); Saxton, Thomas (Treasury); Stanton, Terry A. (Treasury); Fielek, Joseph L. (Treasury); Hanses, Bruce (TREASURY); Feldpausch, Lynne (MEDC) (feldpauschl@michigan.org)
Subject: RE: Review of Draft Presidential Declaration Request
Attachments: Declaration Request Cover Letter Template-1 Flint Water 2016 Emergency D .docx

Tony,

Treasury approves. Please see typo on page 4, we believe it should be MTED not MDTED.
Thanks,

Ann Luepnitz Manager
Facility, Mail, and Data Operations
Phone: 517-636-5335
Cell: 517-410-3275
Fax: 517-322-1631

From: Katarsky, Anthony (MSP)
Sent: Thursday, January 14, 2016 12:17 PM
To: Deacon, Brad (MDARD) <deaconb9@michigan.gov>; Lixey-Terrill, Jennifer (DHHS) <LixeyTerrillJ@michigan.gov>; Manning, Peter (AG) <ManningP@michigan.gov>; Towne, Karen (LARA) <TowneK2@michigan.gov>; Feldpausch, Lynne (MEDC) <feldpauschl@michigan.org>; Doll, Jeanette (DTMB) <dollj@michigan.gov>; Wolf, Jennifer (DNR) <WOLFJ1@michigan.gov>; chad.d.randall.mil@mail.mil; Burgess, Louis (MDE) <burgessl@michigan.gov>; Kirby, Catherine (DIFS) <kirbyc@michigan.gov>; Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov>
Cc: Thelen, Richard (DHHS) <ThelenR4@michigan.gov>; Kelenske, Chris (MSP) <KelenskeC@michigan.gov>; Weber, Thomas (MSP) <WeberT1@michigan.gov>
Subject: Review of Draft Presidential Declaration Request

Attached for review and approval by your agency are two documents: 1) the letter to President Obama and 2) an associated FEMA request form. Both are based on information provided state agencies. Please review for content before they are sent to the Governor's office for final review and editing. This has been promised to the Governor by early afternoon, so please review as quickly as possible, but no later than by 1:30 PM.

Please let me know if you have any questions by calling my cell at 517-██████████

Anthony P. Katarsky
Assistant Division Commander
Michigan State Police
Emergency Management and Homeland Security Division
517-336-2686

Luepnitz, Ann (Treasury)

From: Luepnitz, Ann (Treasury)
Sent: Thursday, January 14, 2016 1:23 PM
To: 'Lynne Feldpausch (MEDC)'
Subject: RE: Flint Water Crisis Economic Impact

Thanks Lynne.

Ann Luepnitz Manager
Facility, Mail, and Data Operations
Phone: 517-636-5335
Cell: 517-
Fax: 517-322-1631

From: Lynne Feldpausch (MEDC) [mailto:feldpauschl@michigan.org]
Sent: Thursday, January 14, 2016 1:12 PM
To: Luepnitz, Ann (Treasury) <LuepnitzA@michigan.gov>; Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: FW: Flint Water Crisis Economic Impact

Good afternoon!
Here is the information that Jay shared with Jarrod and Greg.

Thank you,
Lynne

Lynne A. Feldpausch, CHRO
Senior Vice President - Strategy, Technology & Administrative Services
Michigan Economic Development Corporation
300 N. Washington Square | Lansing, MI 48913
Office: 517.335.0587 | Fax: 517.241.3060
feldpauschl@michigan.org
Follow me on Twitter: @LynneFeldpausch

This message contains information which may be confidential and privileged. Unless you are the intended recipient (or authorized to receive this message for the intended recipient), you may not use, copy, disseminate or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by reply e-mail, and delete the message. Thank you very much.

From: Tedder, Greg (TED) [mailto:TedderG@michigan.gov]
Sent: Tuesday, January 12, 2016 4:06 PM
To: Lynne Feldpausch (MEDC)
Subject: Fwd: Flint Water Crisis Economic Impact

FYI from Jay

Sent from my iPhone

Begin forwarded message:

From: "Wortley, Jay (Treasury)" <WortleyJ1@michigan.gov>
Date: January 12, 2016 at 4:02:11 PM EST
To: "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>
Cc: "Tedder, Greg (TED)" <TedderG@michigan.gov>, "Bakkal, Steve (MEDC)" <bakkals@michigan.org>
Subject: Flint Water Crisis Economic Impact

Hi Jarrod,

I think the most significant immediate negative impact will be the economic effects of such things as decreased property values, lost business activity (new businesses will not move to Flint and existing businesses that rely on clean water like restaurants will be hurt), lost employment, population loss (renters will leave the city). Residents and businesses are also having to pay extra for bottled water, so the extra spending on water will take away from other spending. It is relatively easy for residents to move some of their economic/spending activity outside the city, so the Flint economy will be hurt. These impacts will create an economic downturn in Flint. In terms of personal income losses, a three to four percent loss in nominal personal income in the City of Flint seems reasonable, which would equal a negative impact of \$85 million to \$115 million per year in lost economic activity. Long-term there would be the cost of a new water system, which would have a significant cost. Direct health related costs would be on top of this estimate.

This is a very rough estimate. I would need a lot more time and a lot more information/data to develop a more thorough estimate.

Jay

Robert, Carla M. (Treasury)

From: Wisniewski, Wendy (GOV) <wisniewski@michigan.gov> on behalf of Agen, Jarrod (GOV) <AgenJ@michigan.gov>
Sent: Thursday, January 14, 2016 2:12 PM
To: Abednego, Jaime (DTMB); Allan, Jon (DEQ); Arbulu, Agustin (MDCR); Arwood, Steve (MEDC); Barnes, Jeff (DMVA); Behen, David (DTMB); Bowen, Scott (MSL); Brader, Valerie (LARA); Brown, Diane (MGCB); Burton, Diane (LARA); Carefoot, Karen (MDE); Clover Adams, Jamie (MDARD); Comai, Stephanie (TIA); Creagh, Keith (DEQ); Crockett, Tracy (MSHDA); Deloney, Andrew (LARA); Donnan, Chanda (DTMB); Doyle, Maureen (Treasury); Dungey, Cecilia (TIA); Elsenheimer, Kevin (MSHDA); Etue, Kriste (MSP); Evans, Amiee (MEDC); General Gregory J. Vadnais (gregory.j.vadnais.mil@mail.mil); Grijalva, Nancy (DHHS); Hill, Nancy (DIFS); Isaacs, Carol (AG); Kalm, Rick (MGCB); Khouri, Nick (TREASURY); King, Rebecca (MCSC); Klotz, Josephine (MSP); Lyon, Nick (DHHS); Mason, Dace (DMVA); McDermott, Cristina (MSL); McPharlin, Pat (DIFS); Minix, Connie (DTMB); Moritz, William (DNR); Quackenbush, John (LARA); Roberts, John (DTMB); Sanford, Shawn (MDCR); Sebenick, Pam (MDOT); Sederburg, Kari (DHHS); Senyko, Mike (MDOS); Simon, Sandy C. (MDOC); Smith, Brenda (MDARD); Steudle, Kirk (MDOT); Sworden, Julie (DMVA); Teszlewicz, Barbara (AG); Thelen, Mary Beth (DEQ); Tkaczyk, Judy (DNR); Vaughn, Kari (DEQ); Waalkes, Marie (DTMB); Washington, Heidi E. (MDOC); West, Samantha (LARA); Whiston, Brian (MDE); Winters, Jan (MCSC); Zimmer, Mike (LARA)
Cc: Agen, Jarrod (GOV); Holland, Meegan (GOV); Clement, Elizabeth (GOV)
Subject: RE: Daily Update

Here are Wednesday's key actions and issues in the Flint water situation:

- The Governor announced at a Detroit press conference that Genesee County has seasonal spikes in Legionella cases in 2014 & 2015. At this time, the increase cannot be directly related to the change in Flint water supply due to a lack of clinical Legionella isolates during the time period.

- Request for federal emergency declaration is being prepared.
- Our team from the Executive Office briefed Flint area state legislators on all that's being done in Flint.
- More Michigan National Guardsmen will arrive in Flint.
- Flint Mass Transportation Authority will include Fire Station water resource sites on their bus routes.
- Coordinating donations/support from donor vendors Comcast, Penske, and Google.

Coming up:

- Preparing to boost door-to-door teams up to 20.

Steckelberg, Larry (TREASURY)

From: Baird, Richard (GOV)
Sent: Thursday, January 14, 2016 2:17 PM
To: Workman, Wayne (TREASURY)
Cc: Clement, Elizabeth (GOV); Saxton, Thomas (Treasury); Steckelberg, Larry (TREASURY)
Subject: Re: Water bills

I am going to see Mayor Weaver tonight. I will steer her toward accepting our help with a third party at our expense. Wayne says Yeo & Yeo are their auditors.

Rich

Sent from my Verizon Wireless 4G LTE DROID

On Jan 14, 2016 1:35 PM, "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov> wrote:

It's Flint. They are very understaffed as city hall payrolls were slashed by the EM's to balance budget. We also asked for some detailed information to get complete picture of the system. Just getting one item always leads to need for the complete picture. We offered to pay for a third party to help and they have not taken us up on that. I will forward that email thread. Wayne

Sent from my iPhone

On Jan 14, 2016, at 1:20 PM, Clement, Elizabeth (GOV) <clemente@michigan.gov> wrote:

Why so long?

Sent from my iPad

On Jan 14, 2016, at 12:51 PM, Workman, Wayne (TREASURY)
<WorkmanW@michigan.gov> wrote:

City has promised data by February 1

Sent from my iPhone

On Jan 14, 2016, at 11:45 AM, Baird, Richard (GOV) <bairdr@michigan.gov> wrote:

Mayors office working on it. Wayne W on point. Wayne?

Sent from my Verizon Wireless 4G LTE DROID

On Jan 14, 2016 11:22 AM, "Clement, Elizabeth (GOV)"
<clemente@michigan.gov> wrote:

Do we have numbers from Treasury or the city of Flint that outlines the extent of past due water bills and do we have any proposals of how we can assist in addressing that problem? I know the rate increases contributed to this problem but I am trying to to determine if we have numbers that outline the problem.

Stanton, Terry A. (Treasury)

From: Ryan Felton <ryanfelton13@gmail.com>
Sent: Thursday, January 14, 2016 5:23 PM
To: Stanton, Terry A. (Treasury)
Cc: Murray, David (GOV)
Subject: Re: PRESS INQUIRY | The Guardian re: Flint River

Thanks much!

On Thu, Jan 14, 2016 at 5:22 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:
The treasurer approved the contract with KWA. I assume that's what Mr Croft is referring to.

On Jan 14, 2016, at 5:14 PM, Ryan Felton <[REDACTED]@gmail.com> wrote:

Thanks for the prompt reply. Any comment about the first question, on whether Croft's statement is inaccurate - or false?

Best,
Ryan

On Thu. Jan 14, 2016 at 5:12 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

I don't have a date for a break off in talks. The decision to go with KWA was made in mid-April of 2013.

Under PA436, the treasurer had to consider (approve or disapprove) the contract with KWA, as it was above the \$50k threshold in the act. The Treasurer (Dillon) approved the contract with KWA and when Kurtz announced the city would go to the new authority, DWSD sent a termination letter to Flint.

On Jan 14, 2016, at 4:58 PM, Ryan Felton <[REDACTED]@gmail.com> wrote:

Sorry, forgot to add this one: Howard Croft, Flint's then-director of the city's Public Works Department, is on the record as saying the decision to use the Flint River came from the governor's office; that "evaluations [went] all the way up to the state level on what the best course of action would be for the city of Flint, and that was the determination."

So, based on what you just told me, would you say that Croft's statement is false?

Did the state Treasury have to approve this, as the city was under a financial emergency?

Thanks much!
Ryan

On Thu, Jan 14, 2016 at 4:49 PM, Ryan Felton <[REDACTED]@gmail.com> wrote:

Thanks, Terry.

And is there a known date as to when negotiations fell through? As far as I can tell, in late July, it was still reported that negotiations were ongoing.

On Thu, Jan 14, 2016 at 4:47 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

Ryan...

It's my understanding the EM at the time, Ed Kurtz and city public works staff handled negotiations.

Neither treasury nor the governor's office was at the table. Both were aware of the negotiations.

Terry

On Jan 14, 2016, at 4:29 PM, Ryan Felton <[REDACTED]@gmail.com> wrote:

Hi Terry,

I spoke with David Murray and he said this is a question that would be best suited for you. I'm on a tight deadline, so I'd be truly grateful for a response at your earliest convenience.

Per the Auditor General's report on Flint - after it says that DWSD sent a one-year notice that it would terminate its agreement to provide water service on April 17, 2014:

"According to DEQ management, the Flint WTP attempted to negotiate with the DWSD to maintain it as the City of Flint water supplier; however, **after negotiations were unsuccessful, the City of Flint notified DEQ through a permit request of its intent to operate the Flint WTP full time using the Flint River.** Although the Flint City Council voted in March 2013 in support of moving to the KWA pipeline, the vote was silent on the use of the Flint River as a temporary drinking water source."

So, my questions are:

1. Since City Council did not vote on the use of the Flint River as a temporary drinking water source, **who handled the negotiations with DWSD on behalf of Flint** that were eventually "unsuccessful," as it's described in the auditor general's letter.
2. Was the governor's office involved in those negotiations? Was the governor involved?

Let me be clear: I understand that, after negotiations fell through, it was decided to use the backup water supply.

I appreciate your time and look forward to your response.

Best,

Workman, Wayne (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Thursday, January 14, 2016 10:28 PM
To: Baird, Richard (GOV)
Subject: Fwd: Water and General Fund financial information needed

This is the email. The emergency loan requirements are not urgent. Focus is truly on water. Thanks, Wayne

Sent from my iPhone

Begin forwarded message:

From: Natasha Henderson <nhenderson@cityofflint.com>
Date: January 13, 2016 at 4:19:55 PM EST
To: "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>, Jody Lundquist <jlundquist@cityofflint.com>
Cc: Karen Weaver <kweaver@cityofflint.com>, "Saxton, Thomas (Treasury)" <saxtont@michigan.gov>, "Byrne, Randall (Treasury)" <ByrneR1@michigan.gov>, "Schafer, Suzanne K. (Treasury)" <SchaferS7@michigan.gov>
Subject: Re: Water and General Fund financial information needed

Good afternoon, Mr. Workman.

Thank you for sharing this detailed information request with me. I will ensure that City staff begin working on this immediately. This information will take some time to prepare, however I am confident that City staff is fully capable of responding to your request in its entirety. We appreciate your offer of assistance. Although I believe that it will be unnecessary at this time, we will be sure to inform you should additional support be necessary in the future.

Thanks,

Natasha L. Henderson, City Administrator
1101 S. Saginaw St.
Flint, MI
Email: nhenderson@cityofflint.com
Phone: (810) 237-2057
www.cityofflint.com

Mayor Weaver,

This is to confirm our discussion on January 12, 2016 regarding the financial information Treasury needs for the City of Flint. Please submit the following:

1. Monthly cash flow reports (for both General Fund and the Water/Sewer Fund) for the period of 7/1/2015 thru 6/30/16. The report should show the actual cash flow for the months already past and the projected cash flow for the remainder of the city's fiscal year. It should show the ending cash balance assuming that the Shearer decision is upheld and a second balance assuming the Shearer decision is reversed.

2. Water shutoff history starting 1/1/2015 to present. The history should include the number of shutoffs and what that represents in terms of percentage of customers and percentage impact on revenues.

3. Water bill collection history starting 1/1/2015 to present.

4. Reports required by the emergency loan agreement issued in April 2015 (requirements will be sent in a separate letter).

As I mentioned, if the City needs additional resources to help gather this information quickly, Treasury is prepared to offer financial help for the City to retain the help of your auditors. If you want to pursue this please contact Randy Byrne regarding estimated cost.

We look forward to working with the City to identify and secure additional funds from foundations, corporations and the federal government to provide long term solutions for Flint's water system.

Should you have any additional questions or need assistance on the formatting or content of the reports, please do not hesitate to contact Suzanne Schafer at 517-373-0533. We look forward to getting this information as soon as possible. Thank you, Wayne

Workman, Wayne (TREASURY)

From: Saxton, Thomas (Treasury)
Sent: Friday, January 15, 2016 9:01 AM
To: Steckelberg, Larry (TREASURY); Workman, Wayne (TREASURY); Byrne, Randall (Treasury); Koryzno, Edward (Treasury); Schafer, Suzanne K. (Treasury)
Subject: RE: Confirming our Discussion tonight

I would also think about maybe including MCPS in to this mix. Understanding there is not yet a final order from the recent court decision; it will have an impact on the cash flow & projections.

From: Steckelberg, Larry (TREASURY)
Sent: Friday, January 15, 2016 8:12 AM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>
Subject: RE: Confirming our Discussion tonight

I would like to be on that call also.

From: Saxton, Thomas (Treasury)
Sent: Friday, January 15, 2016 7:59 AM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>
Subject: RE: Confirming our Discussion tonight

... so, what I would do is make sure that someone from our shop (say Suzanne & Randy) be on the phone or at the mtg with Y&Y for the kick off. We need to have a clear scope of work as to what is needed & it (cash flow – work product) can't be filtered (no pun intended) thru the City/Natasha. We need the info 'real time' the same as the City. We can't afford the 'back & forth' as to what we are looking for. Wayne – it might be good if you make that call with the Mayor & Natasha. I am happy to participate.

From: Workman, Wayne (TREASURY)
Sent: Friday, January 15, 2016 7:29 AM
To: Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>
Subject: Fwd: Confirming our Discussion tonight

FYI

Sent from my iPhone

Begin forwarded message:

From: "Baird, Richard (GOV)" <bairdr@michigan.gov>
Date: January 14, 2016 at 11:08:29 PM EST
To: "weaverkaren@██████████" <weaverkaren@██████████>

Cc: "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>, "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>

Subject: Confirming our Discussion tonight

Mayor Weaver:

It was good talking with you today. Confirming our discussion, MI Treasury will pay for the costs of having the City's auditors come in and secure the information requested in the memo below.

We were advised that the information could not be provided prior to February 1. I see this as a half day or day effort with the right resources. The people of Flint have been paying for or been billed for water they couldn't use and this information will help in our efforts to provide potential relief in the future and perhaps in the past as well.

But we need to determine what that looks like operationally and financially. If we are successful in securing funding, it would be our hope you could advise the people of Flint of what you were able to work out with the state and to do so in the fastest time possible.

We don't want to wait until February 1. We want to have Yeo and Yeo contacted, providing a time/expenses cost estimate, and deployed by Monday. I have copied Wayne Workman here in case I have missed something.

Thank you,

Rich

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Subject: Fwd: Water and General Fund financial information needed

This is the email. The emergency loan requirements are not urgent. Focus is truly on water. Thanks, Wayne

Sent from my iPhone

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From: Natasha Henderson <nhenderson@cityofflint.com>
Date: January 13, 2016 at 4:19:55 PM EST
To: "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>, Jody Lundquist <jlundquist@cityofflint.com>
Cc: Karen Weaver <kweaver@cityofflint.com>, "Saxton, Thomas (Treasury)" <saxtont@michigan.gov>, "Byrne, Randall (Treasury)" <ByrneR1@michigan.gov>, "Schafer, Suzanne K.

(Treasury)" <SchaferS7@michigan.gov>

Subject: Re: Water and General Fund financial information needed

Good afternoon, Mr. Workman.

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Thanks,

Natasha L. Henderson, City Administrator
1101 S. Saginaw St.
Flint, MI
Email: nhenderson@cityofflint.com
Phone: (810) 237-2057
www.cityofflint.com

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As I mentioned, if the City needs additional resources to help gather this information quickly, Treasury is prepared to offer financial help for the City to retain the help of your auditors. If you want to pursue this please contact Randy Byrne regarding estimated cost.

We look forward to working with the City to identify and secure additional funds from foundations, corporations and the federal government to provide long term solutions for Flint's water system.

Should you have any additional questions or need assistance on the formatting or content of the reports, please do not hesitate to contact Suzanne Schafer at 517-373-0533. We look forward to getting this information as soon as possible. Thank you, Wayne

Dempkowski, Angela (Treasury)

From: Workman, Wayne (TREASURY)
Sent: Friday, January 15, 2016 3:13 PM
To: Baird, Richard (GOV); Hollins, Harvey (GOV)
Subject: Fwd: State of the State-Flint Question

FYI

Sent from my iPhone

Begin forwarded message:

From: "Dempkowski, Angela (Treasury)" <DempkowskiA@michigan.gov>
Date: January 15, 2016 at 3:10:59 PM EST
To: "Headen, Frederick (Treasury)" <HeadenF@michigan.gov>, "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>
Subject: RE: State of the State-Flint Question

Thanks. Right now I have a confirmation from Beverly that she can attend at 9 am on Jan 25. I have not heard back from David or Robert yet on their availability.

Angela Dempkowski
Senior Executive Management Assistant
Department of Treasury

From: Headen, Frederick (Treasury)
Sent: Friday, January 15, 2016 3:10 PM
To: Dempkowski, Angela (Treasury) <DempkowskiA@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: State of the State-Flint Question

The stand down concerns only the timeline of EM actions. We still need an RTAB meeting.

From: Dempkowski, Angela (Treasury)
Sent: Friday, January 15, 2016 3:07 PM
To: Headen, Frederick (Treasury) <HeadenF@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: State of the State-Flint Question

Does this mean, we are standing down regarding scheduling a special RTAB meeting? Or are we still moving forward with that?

Angela Dempkowski
Senior Executive Management Assistant
Department of Treasury

From: Headen, Frederick (Treasury)
Sent: Friday, January 15, 2016 1:15 PM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>

Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Stanton, Terry A. (Treasury) <StantonT@michigan.gov>; Pleyte, Beth (Treasury) <PleyteB@michigan.gov>; Dempkowski, Angela (Treasury) <DempkowskiA@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Subject: RE: State of the State-Flint Question
Importance: High

Just got another call; we have been asked to “stand down” at least for now. Sorry.

From: Workman, Wayne (TREASURY)
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To: Headen, Frederick (Treasury) <HeadenF@michigan.gov>
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Subject: Re: State of the State-Flint Question

No one gave us an assignment. We have a notebook with al the info. It will need to be summarized in a list. Larry and angela can you get someone to make chronological list of key dates and actions

Sent from my iPhone

On Jan 15, 2016, at 1:02 PM, Headen, Frederick (Treasury) <HeadenF@michigan.gov> wrote:

I just got a call from the Governor’s Legal Division indicating they thought Tom, or perhaps someone in Local Government, had, or was working on, a timeline of EM actions in Flint, specifically related to the decision to switch to KWA, leave DWSD, etc. They want this for the State of the State. Does anyone recall this?

Dempkowski, Angela (Treasury)

From: Workman, Wayne (TREASURY)
Sent: Friday, January 15, 2016 3:14 PM
To: Saxton, Thomas (Treasury)
Cc: Steckelberg, Larry (TREASURY)
Subject: Re: State of the State-Flint Question

I think Angela has on that I am aware of

Sent from my iPhone

On Jan 15, 2016, at 3:07 PM, Saxton, Thomas (Treasury) <SaxtonT@michigan.gov> wrote:

We should probably have another one of those binders (if we don't already) that we shared with Sikkema. I think we have one left; if not two?

From: Steckelberg, Larry (TREASURY)
Sent: Friday, January 15, 2016 3:05 PM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: State of the State-Flint Question

FYI, I asked Suzanne to keep that information handy if we are asked again.

From: Saxton, Thomas (Treasury)
Sent: Friday, January 15, 2016 2:58 PM
To: Headen, Frederick (Treasury) <HeadenF@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Cc: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>; Pleyte, Beth (Treasury) <PleyteB@michigan.gov>; Dempkowski, Angela (Treasury) <DempkowskiA@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Subject: RE: State of the State-Flint Question

... I agree with Wayne i.e., no one ever gave us that assignment.

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Workman, Wayne (TREASURY)

From: Jody Lundquist <jlundquist@cityofflint.com>
Sent: Sunday, January 17, 2016 8:30 PM
To: Natasha Henderson
Cc: Karen Weaver; Baird, Richard (GOV); Workman, Wayne (TREASURY); Hollins, Harvey (GOV)
Subject: Re: Confirming our Discussion tonight

Good evening, Ms. Henderson.

In response to the email from the State regarding Yeo & Yeo's cost, availability and timeline, I reached out to Jamie Rivette. I provided her with exactly the same description of the cash flow report included in the email from Mr. Workman last week.

She provided the following response:

"Our estimated cost for performing monthly cash flow reports for both General Fund and the Water/Sewer Fund for the period of 7/1/2015 thru 6/30/16 (to include the information you specified below) would be billed at our standard hourly rates. I would expect this to take approximately 60 hours and cost around \$15,000.

Dave and I would be available to start this project next week Thursday."

My original timeline of two weeks was consistent with that confirmed by Yeo & Yeo. I am happy to prepare the cash flow reports as I had intended and can make this a priority for completion by week's end now that I understand the priority and urgency placed on this item by the State. Should the State so desire to completely offset the cost of outsourcing the production of this report, I am happy to engage Yeo & Yeo, however it will cost more, take longer and require nearly the same amount of time and effort by City staff in order to provide them with the requisite information and assumptions.

Please let me know how you would like to proceed.

Best regards,

Jody N. Lundquist
Chief Financial Officer

City of Flint
1101 S. Saginaw Street, 2nd Floor
Flint, MI 48502
jlundquist@cityofflint.com
(810) 237-2441

On Fri, Jan 15, 2016 at 10:08 AM, Natasha Henderson <nhenderson@cityofflint.com> wrote:

Thanks,

Natasha L. Henderson, City Administrator
City of Flint, Michigan
1101 S. Saginaw St.
Flint, MI 48502
Email: nhenderson@cityofflint.com
Phone: (810) 237-2057
www.cityofflint.com

----- Forwarded message -----

From: **Karen Weaver** <weaverkaren@>
Date: Fri, Jan 15, 2016 at 10:00 AM
Subject: Fwd: Confirming our Discussion tonight
To: nhenderson@cityofflint.com

Sent from my iPhone

Begin forwarded message:

From: "Baird, Richard (GOV)" <bairdr@michigan.gov>
Date: January 14, 2016 at 11:08:29 PM EST
To: "weaverkaren@" <weaverkaren@>
Cc: "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>, "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>
Subject: **Confirming our Discussion tonight**

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We were advised that the information could not be provided prior to February 1. I see this as a half day or day effort with the right resources. The people of Flint have been paying for or been billed for water they couldn't use and this information will help in our efforts to provide potential relief in the future and perhaps in the past as well.

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Thank you,

Rich

Sent from my iPad

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Subject: Fwd: Water and General Fund financial information needed

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Sent from my iPhone

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<nhenderson@cityofflint.com<<mailto:nhenderson@cityofflint.com>>>
Date: January 13, 2016 at 4:19:55 PM EST
To: "Workman, Wayne (TREASURY)"
<WorkmanW@michigan.gov<<mailto:WorkmanW@michigan.gov>>>, Jody Lundquist
<jlundquist@cityofflint.com<<mailto:jlundquist@cityofflint.com>>>
Cc: Karen Weaver <kweaver@cityofflint.com<<mailto:kweaver@cityofflint.com>>>, "Saxton, Thomas (Treasury)" <saxtont@michigan.gov<<mailto:saxtont@michigan.gov>>>, "Byrne, Randall (Treasury)" <ByrneR1@michigan.gov<<mailto:ByrneR1@michigan.gov>>>, "Schafer, Suzanne K. (Treasury)" <SchaferS7@michigan.gov<<mailto:SchaferS7@michigan.gov>>>
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Thanks,

Natasha L. Henderson, City Administrator

1101 S. Saginaw St.

Flint, MI

Email: nhenderson@cityofflint.com<<mailto:nhenderson@cityofflint.com>>

Phone: (810) 237-2057

www.cityofflint.com<<http://www.cityofflint.com>>

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Workman, Wayne (TREASURY)

From: Baird, Richard (GOV)
Sent: Sunday, January 17, 2016 11:08 PM
To: Workman, Wayne (TREASURY)
Subject: Re: Confirming our Discussion tonight

I did reach out to Davidoff too.

Sent from my Verizon Wireless 4G LTE DROID

On Jan 17, 2016 10:35 PM, "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov> wrote:
We will try on Monday

Sent from my iPhone

On Jan 17, 2016, at 9:21 PM, Baird, Richard (GOV) <bairdr@michigan.gov> wrote:

Why is re-creation of basic billings and collections 60 hours? Can you discuss with Yeo and Yeo?

Sent from my Verizon Wireless 4G LTE DROID

----- Forwarded message -----

From: Natasha Henderson <nhenderson@cityofflint.com>

Date: Jan 17, 2016 8:42 PM

Subject: Re: Confirming our Discussion tonight

To: Jody Lundquist <jlundquist@cityofflint.com>

Cc: Karen Weaver <kweaver@cityofflint.com>, "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>, "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>, "Baird, Richard (GOV)" <bairdr@michigan.gov>

Mr. Baird,

Please let me know as soon as possible what your pleasure is in this matter.

Thanks,

Natasha L. Henderson, City Administrator

1101 S. Saginaw St.

Flint, MI

Email: nhenderson@cityofflint.com

Phone: (810) 237-2057

www.cityofflint.com

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Cc: Karen Weaver
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Workman, Wayne (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Monday, January 18, 2016 6:59 AM
To: Saxton, Thomas (Treasury)
Cc: Baird, Richard (GOV); Hollins, Harvey (GOV)
Subject: Re: Confirming our Discussion tonight

That should be the plan but Yeo&Yeo seems to be too slow. I will try to talk with them today

Sent from my iPhone

On Jan 18, 2016, at 6:05 AM, Saxton, Thomas (Treasury) <SaxtonT@michigan.gov> wrote:

I am guess I am unclear... my sense is we would still have Yeo & Yeo do this (water cash flow etc). And Deloitte would be doing the bigger picture of the city's financial issues, coordination, etc.

On Jan 17, 2016, at 9:06 PM, Workman, Wayne (TREASURY) <WorkmanW@michigan.gov> wrote:

Can Deloitte jump on this quickly?

Sent from my iPhone

Begin forwarded message:

From: Natasha Henderson <nhenderson@cityofflint.com>
Date: January 17, 2016 at 8:42:25 PM EST
To: Jody Lundquist <jlundquist@cityofflint.com>
Cc: Karen Weaver <kweaver@cityofflint.com>, "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>, <hollinsh@michigan.gov>, <bairdr@michigan.gov>
Subject: Re: Confirming our Discussion tonight

Mr. Baird,

Please let me know as soon as possible what your pleasure is in this matter.

Thanks,

Natasha L. Henderson, City Administrator
1101 S. Saginaw St.
Flint, MI
Email: nhenderson@cityofflint.com
Phone: (810) 237-2057
www.cityofflint.com

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Best regards,

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Chief Financial Officer
City of Flint
1101 S. Saginaw Street, 2nd Floor
Flint, MI 48502
jlundquist@cityofflint.com
(810) 237-2441

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<nhenderson@cityofflint.com> wrote:

Thanks,

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1101 S. Saginaw St.
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From: **Karen Weaver** <weaverkaren@>
Date: Fri, Jan 15, 2016 at 10:00 AM
Subject: Fwd: Confirming our Discussion tonight
To: nhenderson@cityofflint.com

Sent from my iPhone

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<bairdr@michigan.gov>
Date: January 14, 2016 at 11:08:29 PM EST
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Cc: "Workman, Wayne (TREASURY)"
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Subject: Fwd: Water and General Fund financial information needed

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<ByrneR1@michigan.gov<mailto:ByrneR1@michigan.gov>>, "Schafer, Suzanne K. (Treasury)"
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following:

1. Monthly cash flow reports (for both General Fund and the Water/Sewer Fund) for the period of 7/1/2015 thru 6/30/16. The report should show the actual cash flow for the months already past and the projected cash flow for the remainder of the city's fiscal year. It should show the ending cash balance assuming that the Shearer decision is upheld and a second balance assuming the Shearer decision is reversed.

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Sent: Monday, January 18, 2016 8:24 AM
To: Workman, Wayne (TREASURY)
Subject: Fwd: Re: Confirming our Discussion tonight

Sent from my Verizon Wireless 4G LTE DROID

----- Forwarded message -----

From: "Davidoff, Mark (US - Detroit)"
Date: Jan 18, 2016 12:28 AM
Subject: Re: Confirming our Discussion tonight
To: "Baird, Richard (GOV)"
Cc:

No sense of urgency and no appreciation for the need to give Mayor Weaver some positive news to share with the people of Flint as soon as possible.

Mark Davidoff
Michigan Managing Partner
Deloitte LLP

Office: 313-396-3317
Mobile: 248-705-1996

>Driving Towards Detroit 2030

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[igan.gov>>](mailto:jlundquist@cityofflint.com), Jody Lundquist

[<jlundquist@cityofflint.com>](mailto:jlundquist@cityofflint.com)[<mailto:jlundquist@cityofflint.com>](mailto:jlundquist@cityofflint.com)[<mailto:jlundquist@cityofflint.com>](mailto:jlundquist@cityofflint.com)

Cc: Karen Weaver

[<kweaver@cityofflint.com>](mailto:kweaver@cityofflint.com)[<mailto:kweaver@cityofflint.com>](mailto:kweaver@cityofflint.com)[<mailto:kweaver@cityofflint.com>](mailto:kweaver@cityofflint.com), "Saxton, Thomas (Treasury)"

[<saxtont@michigan.gov>](mailto:saxtont@michigan.gov)[<mailto:saxtont@michigan.gov>](mailto:saxtont@michigan.gov)[<mailto:saxtont@michigan.gov>](mailto:saxtont@michigan.gov), "Byrne, Randall (Treasury)"

[<ByrneR1@michigan.gov>](mailto:ByrneR1@michigan.gov)[<mailto:ByrneR1@michigan.gov>](mailto:ByrneR1@michigan.gov)[<mailto:ByrneR1@michigan.gov>](mailto:ByrneR1@michigan.gov), "Schafer, Suzanne K. (Treasury)"

[<SchaferS7@michigan.gov>](mailto:SchaferS7@michigan.gov)[<mailto:SchaferS7@michigan.gov>](mailto:SchaferS7@michigan.gov)[<mailto:SchaferS7@michigan.gov>](mailto:SchaferS7@michigan.gov)

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Flint, MI

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Phone: (810) 237-2057

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v.E.1

Workman, Wayne (TREASURY)

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Subject: Fwd: Re: Confirming our Discussion tonight

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Date: Jan 17, 2016 11:56 PM
Subject: Re: Confirming our Discussion tonight
To: "Baird, Richard (GOV)"
Cc:

Don't have all the background on this but we are already considering this as part of our rapid response team and have resources that could be on the ground this week. We need to get this right, and right away.

Mark Davidoff
Michigan Managing Partner
Deloitte LLP

Office: 313-396-3317

Mobile: [REDACTED]

>Driving Towards Detroit 2030

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Sent from my iPhone

Begin forwarded message:

From: Natasha Henderson
<nhenderson@cityofflint.com<<mailto:nhenderson@cityofflint.com>><<mailto:nhenderson@cityofflint.com>>>
Date: January 13, 2016 at 4:19:55 PM EST
To: "Workman, Wayne (TREASURY)"
<WorkmanW@michigan.gov<<mailto:WorkmanW@michigan.gov>><<mailto:WorkmanW@michigan.gov>>>

igan.gov>>, Jody Lundquist

<jlundquist@cityofflint.com<mailto:jlundquist@cityofflint.com><mailto:jlundquist@cityofflint.com>>

Cc: Karen Weaver

<kweaver@cityofflint.com<mailto:kweaver@cityofflint.com><mailto:kweaver@cityofflint.com>>, "Saxton, Thomas (Treasury)"

<saxtont@michigan.gov<mailto:saxtont@michigan.gov><mailto:saxtont@michigan.gov>>, "Byrne, Randall (Treasury)"

<ByrneR1@michigan.gov<mailto:ByrneR1@michigan.gov><mailto:ByrneR1@michigan.gov>>, "Schafer, Suzanne K. (Treasury)"

<SchaferS7@michigan.gov<mailto:SchaferS7@michigan.gov><mailto:SchaferS7@michigan.gov>>

Subject: Re: Water and General Fund financial information needed

Good afternoon, Mr. Workman.

Thank you for sharing this detailed information request with me. I will ensure that City staff begin working on this immediately. This information will take some time to prepare, however I am confident that City staff is fully capable of responding to your request in its entirety. We appreciate your offer of assistance. Although I believe that it will be unnecessary at this time, we will be sure to inform you should additional support be necessary in the future.

Thanks,

Natasha L. Henderson, City Administrator
1101 S. Saginaw St.
Flint, MI

Email:

nhenderson@cityofflint.com<mailto:nhenderson@cityofflint.com><mailto:nhenderson@cityofflint.com>

Phone: (810) 237-2057

www.cityofflint.com<http://www.cityofflint.com><http://www.cityofflint.com>

Mayor Weaver,

This is to confirm our discussion on January 12, 2016 regarding the financial information Treasury needs for the City of Flint. Please submit the following:

1. Monthly cash flow reports (for both General Fund and the Water/Sewer Fund) for the period of 7/1/2015 thru 6/30/16. The report should show the actual cash flow for the months already past and the projected cash flow for the remainder of the city's fiscal year. It should show the ending cash balance assuming that the Shearer decision is upheld and a second balance assuming the Shearer decision is reversed.
2. Water shutoff history starting 1/1/2015 to present. The history should include the number of shutoffs and what that represents in terms of percentage of customers and percentage impact on revenues.
3. Water bill collection history starting 1/1/2015 to present.

4. Reports required by the emergency loan agreement issued in April 2015 (requirements will be sent in a separate letter).

As I mentioned, if the City needs additional resources to help gather this information quickly, Treasury is prepared to offer financial help for the City to retain the help of your auditors. If you want to pursue this please contact Randy Byrne regarding estimated cost.

We look forward to working with the City to identify and secure additional funds from foundations, corporations and the federal government to provide long term solutions for Flint's water system.

Should you have any additional questions or need assistance on the formatting or content of the reports, please do not hesitate to contact Suzanne Schafer at 517-373-0533. We look forward to getting this information as soon as possible. Thank you, Wayne

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message and any disclosure, copying, or distribution of this message, or the taking of any action based on it, by you is strictly prohibited.

v.E.1

Workman, Wayne (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Monday, January 18, 2016 9:48 AM
To: mdavidoff@deloitte.com
Cc: Baird, Richard (GOV)
Subject: FW: Water and General Fund financial information needed

Mark, I think Rich may have already sent the information we requested from the City, but I take the liberty of double coverage. After you talk with Mayor Weaver, please feel free to contact me to discuss how Treasury can assist you and the City. We already have a number of things started and communicate with City staff daily. Thanks, Wayne Workman cell phone 231-590-0503

From: Workman, Wayne (TREASURY)
Sent: Wednesday, January 13, 2016 3:25 PM
To: kweaver@cityofflint.com; Natasha Henderson
Cc: Schafer, Suzanne K. (Treasury) ; Byrne, Randall (Treasury) ; Saxton, Thomas (Treasury)
Subject: Water and General Fund financial information needed

Mayor Weaver,

This is to confirm our discussion on January 12, 2016 regarding the financial information Treasury needs for the City of Flint. Please submit the following:

1. Monthly cash flow reports (for both General Fund and the Water/Sewer Fund) for the period of 7/1/2015 thru 6/30/16. The report should show the actual cash flow for the months already past and the projected cash flow for the remainder of the city's fiscal year. It should show the ending cash balance assuming that the Shearer decision is upheld and a second balance assuming the Shearer decision is reversed.
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Thank you, Wayne

Workman, Wayne (TREASURY)

From: Baird, Richard (GOV)
Sent: Monday, January 18, 2016 1:47 PM
To: Workman, Wayne (TREASURY)
Subject: Re: FW: Confirming our Discussion tonight

Marks call I think. He and Joel need to get Mayor agreement that he will be her second in command.

Sent from my Verizon Wireless 4G LTE DROID

On Jan 18, 2016 10:19 AM, "Workman, Wayne (TREASURY)" wrote:

Trading calls with Davidoff. Is it OK to let Flint CFO know about Deloitte? I would like get a call set up for Tuesday with Treasury, City and Deloitte if they are going to do the work.

From: Jody Lundquist [mailto:jlundquist@cityofflint.com]
Sent: Sunday, January 17, 2016 8:30 PM
To: Natasha Henderson
Cc: Karen Weaver ; Baird, Richard (GOV) ; Workman, Wayne (TREASURY) ; Hollins, Harvey (GOV)
Subject: Re: Confirming our Discussion tonight

Good evening, Ms. Henderson.

In response to the email from the State regarding Yeo & Yeo's cost, availability and timeline, I reached out to Jamie Rivette. I provided her with exactly the same description of the cash flow report included in the email from Mr. Workman last week.

She provided the following response:

"Our estimated cost for performing monthly cash flow reports for both General Fund and the Water/Sewer Fund for the period of 7/1/2015 thru 6/30/16 (to include the information you specified below) would be billed at our standard hourly rates. I would expect this to take approximately 60 hours and cost around \$15,000.

Dave and I would be available to start this project next week Thursday."

My original timeline of two weeks was consistent with that confirmed by Yeo & Yeo. I am happy to prepare the cash flow reports as I had intended and can make this a priority for completion by week's end now that I understand the priority and urgency placed on this item by the State. Should the State so desire to completely offset the cost of outsourcing the production of this report, I am happy to engage Yeo & Yeo, however it will cost more, take longer and require nearly the same amount of time and effort by City staff in order to provide them with the requisite information and assumptions.

Please let me know how you would like to proceed.

Best regards,

Jody N. Lundquist

Chief Financial Officer

City of Flint

1101 S. Saginaw Street, 2nd Floor

Flint, MI 48502

jlundquist@cityofflint.com

(810) 237-2441

On Fri, Jan 15, 2016 at 10:08 AM, Natasha Henderson <nhenderson@cityofflint.com> wrote:

Thanks,

Natasha L. Henderson, City Administrator

City of Flint, Michigan

1101 S. Saginaw St.

Flint, MI 48502

Email: nhenderson@cityofflint.com

Phone: (810) 237-2057

www.cityofflint.com

----- Forwarded message -----

From: **Karen Weaver** <[weaverkaren@\[REDACTED\]](mailto:weaverkaren@[REDACTED])>
Date: Fri, Jan 15, 2016 at 10:00 AM
Subject: Fwd: Confirming our Discussion tonight
To: nhenderson@cityofflint.com

Sent from my iPhone

Begin forwarded message:

From: "Baird, Richard (GOV)" <bairdr@michigan.gov>
Date: January 14, 2016 at 11:08:29 PM EST
To: "weaverkaren@[REDACTED]" <[weaverkaren@\[REDACTED\]](mailto:weaverkaren@[REDACTED])>
Cc: "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>, "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>
Subject: Confirming our Discussion tonight

Mayor Weaver:

It was good talking with you today. Confirming our discussion, MI Treasury will pay for the costs of having the City's auditors come in and secure the information requested in the memo below.

We were advised that the information could not be provided prior to February 1. I see this as a half day or day effort with the right resources. The people of Flint have been paying for or been billed for water they couldn't use and this information will help in our efforts to provide potential relief in the future and perhaps in the past as well.

But we need to determine what that looks like operationally and financially. If we are successful in securing funding, it would be our hope you could advise the people of Flint of what you were able to work out with the state and to do so in the fastest time possible.

We don't want to wait until February 1. We want to have Yeo and Yeo contacted, providing a time/expenses cost estimate, and deployed by Monday. I have copied Wayne Workman here in case I have missed something.

Thank you,

Rich

Sent from my iPad

Begin forwarded message:

From: "Workman, Wayne (TREASURY)"
<WorkmanW@michigan.gov<<mailto:WorkmanW@michigan.gov>>>
Date: January 14, 2016 at 10:27:38 PM EST
To: "Baird, Richard (GOV)" <bairdr@michigan.gov<<mailto:bairdr@michigan.gov>>>
Subject: Fwd: Water and General Fund financial information needed

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<WorkmanW@michigan.gov<<mailto:WorkmanW@michigan.gov>>>, Jody Lundquist
<jlundquist@cityofflint.com<<mailto:jlundquist@cityofflint.com>>>
Cc: Karen Weaver <kweaver@cityofflint.com<<mailto:kweaver@cityofflint.com>>>, "Saxton, Thomas (Treasury)" <saxtont@michigan.gov<<mailto:saxtont@michigan.gov>>>, "Byrne, Randall (Treasury)" <ByrneR1@michigan.gov<<mailto:ByrneR1@michigan.gov>>>, "Schafer, Suzanne K. (Treasury)" <SchaferS7@michigan.gov<<mailto:SchaferS7@michigan.gov>>>
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Flint, MI

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Kettering University

Monday, January 18, 2016

To: The Kettering Community of Parents of our Students and our Alumni
Subject: Kettering Campus Water Update

I know that you value the excellence of the education we provide, but I expect as alumni or parents of students currently enrolled at our great University that you are concerned about the barrage of news about Flint's water supply. I am a proud parent of a Kettering student, and my family and I reside in Flint, so I understand deeply and very personally how you might be feeling about the situation as reported in the media.

Last week, I sent a detailed Kettering Water Update letter to our campus and to our students. Because I know (from direct experience!) that students may not always communicate promptly with their parents on even important issues, I thought I would take a moment to update you and our alumni directly on this issue, because I know it is a subject of concern.

Unfortunately, as is often the case in public crises, a great deal of misinformation about the water supply in Flint is being reported as fact. Just as distressingly, though, a great deal of important information that we do have about the situation is also *not* being reported.

Kettering campus water is safe, and our faculty, staff, students, and campus residents are **not** being exposed to contaminated water on campus. We are, and have been even before the current crisis emerged, committed to ongoing testing of our water to ensure the safety of the campus water supply. Moreover, the entire water supply of Flint has not been contaminated with lead; although some sections of the city have experienced problems, some severe, other sections have not

All of us deplore that any single person has been exposed to unsafe levels of lead in the water; however, many, many people living in Flint have not been exposed to water containing elevated levels of lead in their residences or places of business. To date:

- Roughly 2% of all individuals tested in Flint have shown elevated blood lead levels.¹
- Twenty-three (23) children younger than age six tested in Flint show elevated blood levels of lead.²
 - Children under the age of 5-6 are the most vulnerable population with respect to the long-term health effects of lead; in the U.S., 535,000 children under the age of 5 have elevated blood lead levels high enough to damage their health.³
- A total of 43 of 2182 of people tested in Flint show elevated blood levels of lead.⁴

I also want to clarify that *the water from the Flint River that was used as the city's water source from April 2014 through October 2015 was not contaminated with lead*. The contamination, where it occurred, was due primarily to interactions between treated river water and lead supply

¹ http://www.michigan.gov/documents/deq/Flint_Blood_Testing_Report_December_23_509464_7.pdf

² http://www.mlive.com/lansing-news/index.ssf/2016/01/43_flint_residents_identified.html

³ <http://www.cdc.gov/nceh/lead/infographic.htm>

⁴ *ibid.*

To: The Kettering Community of the Parents of Our Students and Our Alumni

lines in the distribution system, particularly in lead lines connecting individual houses to local water mains. This is not a global problem with the water, but a problem with how that water - after treatment - interacted with some pipes and other elements of the city's distribution system. This interaction was often (considerably) different - even house-by-house on a single block.

In this letter I want to outline for you what we know about the nature of the contamination of the Flint system, how the university has responded to it, what we have done and are doing on an ongoing basis to ensure the integrity and safety of drinking water on the campus, and how we are working to ensure that those in the campus community who live off-campus in private housing have access to appropriate information, tests, and filters to ensure and monitor the safety of their private supplies.

Because I want to document what I write, I am also including footnotes that will lead you, if you are interested, to the sources of my information, something I learned to do as a faculty member and still highly value. We are committed to deploying every resource at our disposal to continue to ensure the safety of our entire campus community and our visitors. We value your input, and I hope that as members of the Kettering Community and of this great University that the information presented in this letter is helpful to you. If you have questions, comments, or thoughts on this issue we welcome you to send them to us at water@kettering.edu.

Introduction

Inflated lead levels have been detected in the water supply in a number of areas in the city of Flint, and these have received significant medical, political, and media attention over the last three months. The State of Michigan officially declared a state of emergency in Flint on January 6, 2016,⁵ and the Federal Government followed on January 16, 2016.⁶ Federal, state and local officials have now engaged and are taking more aggressive corrective action to address this situation and the public health crisis that has resulted from it. Proudly, many in the Kettering Community have taken a very active role in helping those families and children in Flint impacted by this health crisis since its beginning last year.

The levels of lead found in some areas of Flint are gravely upsetting, but I want again to stress that the problem of lead contamination in public and private drinking water supplies is not present in all of Flint. Unfortunately, this distinction has been absent from much of the reporting on this subject in the media. Reports often imply that the water was tainted at the source (i.e. the Flint River), or that contamination of the water is uniform across the entire distribution system and that every house and business has been equally affected.

I also think it important for us to recognize that this problem is widespread and in fact is not isolated to Flint.⁷ For example, I am sad to report, drinking water supply contamination, in some cases at levels far worse than have been found in Flint, has been found in Washington D.C., Seattle, Baltimore, Philadelphia, and Los Angeles among other cities and areas of the country.⁸ In Michigan, elevated blood-lead levels have been found in an even higher percentage of children

⁵ <http://www.freep.com/story/news/local/michigan/2016/01/05/us-attorneys-office-investigating-lead-flint-water/78303960/>

⁶ http://www.mlive.com/news/flint/index.ssf/2016/01/president_obama_signs_emergenc.html#incart=2box_news_flint

⁷ <http://www.cdc.gov/nceh/lead/leadinwater/>

⁸ *ibid.*, <http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5312a6.htm>, <http://www.washingtonpost.com/wp-dyn/content/article/2009/08/03/AR2009080303003.html>, and <http://www.yaleseas.com/watersymposium/pdfs/EdwardsLeadPaper.pdf>

than Flint is experiencing in sections of Jackson, Detroit, Grand Rapids, Saginaw, Holland, and a number of other cities.⁹

The Nature of the Problem

First, the nature and cause of the contamination are reasonably well understood at this point. In brief:

- Historically, the Flint water system used and distributed treated water from Detroit Water Authority. It did so until April 2014, when it switched to treating water from the Flint River in an existing Flint water treatment plant.
- The “raw” river water to which the city switched in April 2014 was not contaminated with lead.
- The water within *some* sections of the distribution network was, however, contaminated *after* the water left the treatment plant by the leaching of metals such as lead, iron, and copper from lead service lines and lines containing lead solder

After the switch to river water, the City failed to treat the water for corrosivity by managing its chemistry,¹⁰ which lead to the erosion (and release) of lead-bearing pipe scale in supply lines¹¹ and lead/copper galvanic corrosion of lead solder and lead copper joints in the distribution system.¹² Because raw water quality varies across the US, federal law requires all municipal water systems to have a corrosion control plan to address this possibility; this regulation is known as the Lead and Copper Rule.¹³ Flint unfortunately did not have such a plan in place when it switched the water source to the River.

Here I want to stress that the lack of corrosion control did not, in and of itself, make the water unsafe. What it did do, however, is increase the potential for the water to react chemically with certain types of plumbing systems, and in doing so leach lead and other metals (if they were present) from those systems.

And if this isn't enough complexity, the City (out of what I'm sure were benign motives) used a relatively high level of chlorine to treat the river water to prevent bacterial growth in the supply. The unanticipated consequence of this choice, combined with a lack of activated charcoal filtration in the treatment process, led to the subsequent production of elevated levels of trihalomethanes (which are disinfection by-products of water chlorination) in the water, but these were present primarily in areas of the system where the water pooled or moved through the system slowly.

In October of last year, Flint switched its water source back to Detroit Water Authority. It took approximately 3-4 weeks for the Detroit source water to replace fully all of the water in the distribution system. In December, Flint also began introducing additional corrosion control

⁹ <http://www.crainsdetroit.com/article/20151210/NEWS/151219980.interactive-map-places-with-higher-lead-rates-than-flint>

¹⁰ Specifically the chloride-to-sulfate mass ratio in the treated water, which can be influenced by salt entering the source river from runoff or changes in the way that organics are removed in the treatment process. This is typically adjusted by adding lime or orthophosphates in the treatment process, see <http://www.waterrf.org/publicreportlibrary/4088.pdf>

¹¹ <http://pubs.acs.org/doi/pdfplus/10.1021/es101328u?src=recsys&>

¹² <http://www.awwa.org/publications/journal-awwa/abstract/articleid/26682.aspx>

¹³ <http://www.epa.gov/dwreginfo/lead-and-copper-rule> and <http://www.ecfr.gov/cgi-bin/text-idx?SID=531617f923c3de2cbf5d12ae4663f56d&mc=true&node=sp40.23.141.i&rqn=div6>

To: The Kettering Community of the Parents of Our Students and Our Alumni

additives to the water supply.¹⁴ It did this expecting that the addition of these additives will, over time, help to rebuild the protective scale on the inside of the parts of the distribution system where it has been damaged.

Not All Areas of Flint were Impacted Equally

The specific mechanisms that gave rise to the contamination of the system mean that **not all areas of the system were equally impacted**. Portions of the system that do not contain lead service lines or lead solder were not as greatly impacted as those that do. Older parts of the system, especially sections built in the 1940's through the 1960's¹⁵ that have not been upgraded since their construction are disproportionately vulnerable.¹⁶ Other areas are far less so.

As a consequence, **the presence of lead contamination in the water supply was not uniform across the entire municipal water system, and not all areas of the city or all resident supplies were equally affected by it.**¹⁷

- The amount of lead that leached into a given part of the system depended upon a variety of factors, including the age of the system in the area, the specifics of its construction (e.g. are lead service lines present), and the time that water typically spends in that part of the system between treatment and use.
 - The levels of lead contamination measured in the water drawn from a particular source point depends upon the characteristics of the infrastructure through which the water passed, and how long it took to do so. **This is why water drawn in some houses on a single block might show measurable lead contamination, while others did not.**¹⁸
- For the same reason, as I noted earlier, only a percentage of Flint residents have been exposed to water containing elevated levels of lead in their residences or places of business¹⁹

Kettering's Campus Water Supply and Our Approach to Ensuring its Safety

The municipal water infrastructure that supplies Kettering is relatively modern, the flow-rates of water through the system are high, and we do not have lead-copper transitions in the main supply lines, as do many residences in some areas of the city. All of these factors reduce the chance of contamination in our supply. Even so, the University has taken a number of proactive steps to ensure that the campus drinking and cooking water supplies are free from contamination, a number of which have been described in previous communications to the campus on this issue. These include:

¹⁴ <https://www.cityofflint.com/2016/01/10/flint-city-leaders-county-state-officials-announce-relief-effort-expansion/>

¹⁵ In the early part of the last century, many municipal codes *required* the use of lead pipes when connecting homes and businesses to municipal water mains but most codes banned the use of lead pipes by the early 1970's. Chicago, for example, continued to require them as recently as 1986, see *EPA warns modernizing water system may boost levels of lead*, Chicago Tribune, September 25, 2013. Some major U.S. cities still have 100% piping bringing water from the utilities to homes and businesses, see: <https://www.safep plumbing.org/health-safety/lead-in-plumbing>

¹⁶ <http://nepis.epa.gov/Exe/ZyPDF.cgi?Dockey=20001R4V.txt>

¹⁷ For an example see: http://www.michigan.gov/documents/deq/Copy_of_deq-fw-Flint-Home-Owner-Data-Sept-3-thru_Nov-5-15_505529_7_505579_7.pdf

¹⁸ *ibid.*

¹⁹ *ibid.*

- Since early 2015 (after the switch to river water but before lead contamination was suspected), the University has been engaged in recurring testing of all drinking and food service water distribution points on campus using an independent, certified laboratory (Brighton Analytical, LLC). We will continue to test all drinking and food service water distribution points (and there are almost 100 of these) indefinitely.
- We also similarly test incoming water from our (six) Flint Municipal Water system input supply lines.
- All food service water source lines are flushed for a minimum of five minutes prior to use each morning, and only cold water is used, consistent with EPA guidelines.²⁰
- We use NSF/ANSI 53 certified filters on all drinking water supplies on campus; these filters are certified to remove lead and trihalomethanes in addition to a wide variety of other contaminants and suspended solids. You may find details on the NSF/ANSI 53 certification standard at nsf.org and on the websites of manufacturers that produce filters conforming to this standard. There are 31 specific performance criteria that fall under Standard 53.
- All of our filters are maintained and replaced at the intervals recommended by their respective manufacturers.
- To be conservative, we shut off all water fountains on campus where the filters for that fountain were located at a significant physical distance from the fountain itself (usually because of space restrictions in the fountain cabinet).

We did this as a precautionary measure, since it is possible for lead (if, for example lead solder was used in its supply line) to be produced through the interaction of water with plumbing in the supply line *after* it has been filtered *if* that water is allowed to sit undisturbed for a protracted time in the supply line (such as when a water fountain is used very rarely).

We do not test the water used in toilets, bathroom vanities, or showers, **but we do test the sources from which they draw water** (i.e. the input supply lines to campus). **Human skin does not absorb lead in water**, so bathing, washing, or showering is safe even using water containing lead over the EPA's action level.^{21 22} Adults may safely use unfiltered water for brushing their teeth.²³

In addition, we continue to make improvements to our local system to improve convenience and ensure safety. One of the most visible of these is the replacement of many of our water fountains across campus with hydration stations; this project in fact began a number of years ago. All of our hydration stations are monitored and contain integral NSF/ANSI 53 water filtration systems.

How are Lead Levels in Water Specified and Interpreted?

The concentration of a metal, like lead, in water is often measured in parts per billion, usually denoted **ppb**. A concentration in water of 1 ppb represents one gram, or three one-hundredths of an ounce (3/100 ounce), of a substance in 260,000 gallons of water. One ppb is also three seconds

²⁰ EPA 810-F-93-001

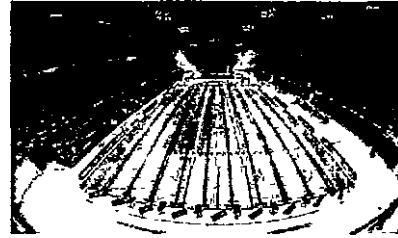
²¹ <http://www.cdc.gov/nceh/lead/tips/water.htm>

²² http://www.michigan.gov/deq/0,4561,7-135-3313_3675_73946-372051--,00.html

²³ http://www.michigan.gov/documents/deq_2015-10-21_-_Lead_-_Flint_Water_FINAL_504265_7.pdf

out of 100 years. **Ten parts per billion (10 ppb) is the equivalent of approximately one teaspoon of water in an Olympic-sized swimming pool.**

The EPA has set an action level for lead in drinking water supplies at 15 ppb. In other words, if drinking water contains lead below this level, EPA regulations state that no action is required.²⁴



For reference, the EPA permits faucets to be sold in the U.S. that leach 10 ppb or less of lead into water during a 19-day test.²⁵ Studies conducted by the EPA have found that the geometric mean of lead levels in drinking water systems in the US is 2.8 ppb.²⁶

Results of Our Ongoing Testing

- As of the date of our last test series and over the past many months, we have tested the water drawn from the six input lines to campus a total of 15 times and all tests have resulted in a measured level of “ND” (for “None Detected”), with only three, single-test exceptions. In these three exceptions:
 - One detection was at 1 ppb, one was at 5 ppb, and the other was at 7 ppb. All of these are significantly lower than the EPA’s allowable limit for lead of 15 ppb.²⁷
 - These were single point-in-time detections; **later repeat testing of the same distribution points detected no lead.**
- **No lead has ever been detected in any water source used for food preparation.**
- As of the date of our last test series and over the past many months, all drinking water distribution points (e.g. water fountains) on campus have consistently tested “ND” (for “None Detected”) for lead, with only six, single-test exceptions in well over one-hundred tests conducted. In these six exceptions:
 - All detections were at levels of less than 5 ppb (1,4,5,2,3 and 2 ppb respectively); all are significantly under the EPA’s allowable action limit for lead of 15 ppb.²⁸
 - These were single point-in-time detections; **later repeat testing of the same distribution points detected no lead.**

Access to Test Data

We make all results of these tests public. You may always find our latest test results along with other information related to the state of water in Flint at <http://www.kettering.edu/water>. We will continue to update the test reports on this site as we receive them.

²⁴ <http://www.cdc.gov/ncch/lead/tips/water.htm>

²⁵ <https://www.safep plumbing.org/health-safety/lead-in-plumbing>

²⁶ Levin R, Schock MR, Marcus AH. Exposure to lead in U.S. drinking water. In: *Proceedings of the 23rd Annual Conference on Trace Substances in Environmental Health* Cincinnati, OH, US Environmental Protection Agency, 1989

²⁷ <http://www.cdc.gov/ncch/lead/tips/water.htm>

²⁸ *ibid*

To: The Kettering Community of the Parents of Our Students and Our Alumni

On this same webpage, you will also find a link to PDF copies of the certified assay reports provided to us by our independent laboratory.

We have encouraged our students to speak with their parents or guardians about this issue, and to share with them all communications they receive from us. Copies of all of our communications to students on this matter may also always be found at <http://www.kettering.edu/water>.

More Information

If you have further concerns, I encourage you to read the Centers for Disease Control website on lead contamination of water at <http://www.cdc.gov/nceh/lead/leadinwater/> and <http://www.cdc.gov/nceh/lead/tips/water.htm> as well as the citations in this letter. Additional information is also available on our website at <http://www.kettering.edu/water>.

If you have technical questions about the campus water supply, they may be directed to Nadine Thor, Director of Auxiliary Services, at nthor@kettering.edu. Questions from students or their families of a more general nature should be directed to Dean Betsy Homsher, Dean of Students, at bhomsher@kettering.edu.

We will of course continue to update the campus as this situation evolves.

Members of the Kettering Community that Live off Campus in Impacted Areas

We have encouraged our students, faculty and staff who live off campus within Flint city limits to use bottled water, to test their water (which also supports the city's data collection and analysis efforts), and to use appropriate water filtration in drinking water sources until notified otherwise by civil authorities.²⁹

In the interim, **free bottles of water, water filters, replacement cartridges, and home water testing kits are widely available to all Flint residents.**³⁰ There are multiple distribution points for these around the city, and the University maintains a supply of filters in the Office of Student Life for students otherwise unable to obtain them.

Information on the city's distribution of all of these items to residents may be found at www.michigan.gov/deq. Students residing off campus needing assistance in acquiring water, test kits, and/or faucet filters have been encouraged to contact the Office of Student Life at (810) 762-9871.

A Note on Water Clarity

You may see pictures of bottles of rusty or cloudy water in articles on water safety; the same has been true of the reporting surrounding the water crisis in Flint.

The presence of suspended rust in water can turn it orange, red, brown or yellow. The presence of rust in water is not an indication of the presence of lead or other contaminants in the water, nor does it necessarily indicate that the water is unsafe to drink.³¹ In water, lead is colorless, odorless, and tasteless.³² and the presence of rust in water does not indicate the presence of lead, bacteria, or other substances.

²⁹ http://www.michigan.gov/deq/0,4561,7-135-3313_3675_73946--,00.html

³⁰ http://www.michigan.gov/deq/0,4561,7-135-3313_3675_73946-366279--,00.html

³¹ http://www.quincyma.gov/CityOfQuincy_Content/documents/RustyWaterFactSheet.pdf

³² <http://extension.psu.edu/natural-resources/water/drinking-water/water-testing/pollutants/lead-in-drinking-water>

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On its own, rust in water is not a sign of harmful bacteria or lead. In fact, the limits set by the Environmental Protection Agency (EPA) for iron in drinking water are based on aesthetics (taste, odor, color), not safety concerns.³³

Trapped air (in the form of small bubbles) in the water can also turn it cloudy or milky. Water pipelines are pressurized systems, so any air introduced into the system can remain trapped until the water leaves a faucet. This cloudiness is not indicator of water quality.

The NSF/ANSI 53 water filtration systems we use on campus for all drinking water remove suspended particulates including the iron that can discolor water (known as "turbidity reduction")

Legionella

It has very recently been reported³⁴ that there were an unusually high number of cases of Legionnaire's Disease seen in Genesee County in 2014-2015.³⁵ It has also been suggested in the media that this increase related in some way to the switch in the Flint water supply. Roughly half of the cases identified are in individuals who live outside of the city and the Flint municipal water service zone,³⁶ and a possible causal link between the two has absolutely not been established

We have no evidence of any member of the University community having contracted Legionnaire's Disease.

Legionnaire's Disease is not contracted by drinking water containing *Legionella* nor is it transmitted between individuals. It is not contagious.

Legionnaire's Disease is a form of pneumonia caused by the bacteria *Legionella pneumophila*, and it is treatable with several classes of antibiotics.³⁷ It has an incubation period of two to ten days. *Legionella* do not survive in water above 140 °F (60 °C). *Legionella* are normally found in rivers, lakes, and streams,³⁸ and they are normally present in the water systems of large buildings and even in a percentage of residential water systems.³⁹

Legionnaire's Disease is primarily contracted by heavy smokers, immunocompromised individuals, and individuals with chronic lung disease⁴⁰ through the aspiration of water or the inhalation of water mist contaminated with the *Legionella* bacteria.⁴¹ Even after exposure to *Legionella* most people do not become sick.

Cooling towers for large buildings are frequently cited as potential breeding ground for *Legionella* bacteria if they are not regularly maintained and disinfected.⁴² **The University has for many years routinely monitored and disinfected all cooling towers on campus.**

As part of a proactive effort, though, we have also begun ongoing and recurring testing of our water for the presence of *Legionella*. We will take appropriate action (which we will report) if elevated levels of the bacteria are detected in campus water supplies in the future. We will of

³³ <http://www.berkeleywellness.com/healthy-eating/food-safety/article/rusty-water>

³⁴ <http://www.freep.com/story/news/local/michigan/2016/01/13/snyder-flint-area-has-seen-spike-legionnaires/78750610/>

³⁵ http://www.mlive.com/news/flint/index.ssf/2016/01/legionnaires_disease_cases_spi.html

³⁶ http://media.mlive.com/newsnow_impact/other/Legionellosis+Analysis+Report+20150604.pdf

³⁷ <http://legionella.org/about-the-disease/what-is-legionnaires-disease/treatment/>

³⁸ <http://legionella.org/about-the-disease/what-is-legionnaires-disease/legionella-bacteria>

³⁹ <http://legionella.org/faqs/general-public/disease-sources/>

⁴⁰ <http://www.cdc.gov/legionella/about/people-risk.html>

⁴¹ <http://www.cdc.gov/legionella/about/causes-transmission.html>

⁴² http://www.cdc.gov/healthywater/other/industrial/cooling_towers.html

To: The Kettering Community of the Parents of Our Students and Our Alumni

course publish the results of these tests on <http://www.kettering.edu/water> when they become available.

Federal Emergency Declaration

On January 16, 2016 and at the request of the state of Michigan, President Obama signed an emergency declaration the purpose of which is to make Federal aid available to the city in support of current filter and water distribution efforts to impacted persons in the city.⁴³ Substantively, this declaration simply mobilizes the Federal Emergency Management Agency (FEMA) to assist in these efforts and also makes certain federal funds available to the city for the purpose of supporting these activities. As stated in the order, it "is to provide water, water filters, water filter cartridges, water test kits, and other necessary related items for a period of no more than 90 days."⁴⁴

A Kettering Professor (from the Beginning) and Our Students have been and will continue to be Part of the Solution

Last year, Kettering's Mechanical Engineering Professor Laura Sullivan was asked to co-chair Flint's Technical Water Advisory Board and was recently appointed by Mayor Karen Weaver to the Karegnondi Water Authority. This is important work, and through it she makes all of us in the greater Kettering family a key part of the solution. I want to take this opportunity to recognize her and to thank her for her service to Flint and the University.

Our students are some of the most creative in the world, and so we have been and are continuing to organize ways for our students, often in teams, to solve some of the challenging and unforeseen problems that have arisen in the distribution and installation of filters in affected areas of Flint. These efforts not only take advantage of the expertise and ingenuity of our students but they are also consistent with Kettering's ongoing commitment to Flint. We will make information on these efforts available on <http://www.kettering.edu/water> as it becomes available.

Please know that we are deploying every resource at our disposal to ensure the safety of our entire campus community and our visitors, and we will continue to work with federal, state, and local officials to help create long-term solutions to these problems. We value your input, and I hope that as valued members of the Kettering Community and of this great University that this letter has been helpful to you. If you have questions, comments, or thoughts on this issue or the University's response to it please send them to us at water@kettering.edu.

Thank you

Warmest Regards,



Dr. Robert K. McMahan
President

⁴³ http://www.mlive.com/news/flint/index.ssf/2016/01/president_obama_signs_emergenc.html

⁴⁴ *ibid*

Steckelberg, Larry (TREASURY)

From: Cline, Richard (Treasury)
Sent: Tuesday, January 19, 2016 12:27 PM
To: Workman, Wayne (TREASURY); Koryzno, Edward (Treasury); Steckelberg, Larry (TREASURY); Schafer, Suzanne K. (Treasury); Byrne, Randall (Treasury)
Cc: Dempkowski, Angela (Treasury)
Subject: FW: Ed Kurtz
Attachments: Ed Kurtz

Importance: High

FYI.

This is the contact information I had for Ed Kurtz.

I do not know if these are still good but they were as of the time we were looking at the appointment of the Flint RTAB.

Eric Cline | Department Manager | State of Michigan
Michigan Department of Treasury | Local Government Financial Services Division | Fiscal Responsibility Section
430 W. Allegan Street, 3rd Floor | Lansing, MI 48922
Lansing Office (517) 336-2078 | Cell Phone (517) 243-8450 | Traverse City Office (231) 922-5228
E-mail cliner1@michigan.gov

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Schafer, Suzanne K. (Treasury)

From: Cline, Richard (Treasury)
Sent: Tuesday, January 19, 2016 1:05 PM
To: Saxton, Thomas (Treasury); Workman, Wayne (TREASURY); Steckelberg, Larry (TREASURY); Schafer, Suzanne K. (Treasury); Koryzno, Edward (Treasury); Byrne, Randall (Treasury)
Cc: Dempkowski, Angela (Treasury)
Subject: Draft Flint CIP
Attachments: Flint CIP.Draft.01-14-16.pdf

All:

FYI.

Attached is the most recent draft to the Flint Capital Improvements Plan.

It was recently submitted to the City Planning Commission for approval so note that some of the projects could change prior to final approval.

Planned Water System improvements begins on Page 47 of the .pdf.

I note that Lead Service Line Replacement is listed as an Urgent project but with a cost *TBD*. No other information is provided.

I also note about \$34M in other system projects that have been identified.

There is not a great amount of detail in the document but it provides a good overview of some of the areas that the City sees as priority.

If there are any questions, let me know.

Eric Cline | Department Manager | State of Michigan
Michigan Department of Treasury | Local Government Financial Services Division | Fiscal Responsibility Section
430 W. Allegan Street, 3rd Floor | Lansing MI 48922
Lansing Office (517) 335-2078 | Cell Phone (517) [REDACTED] | Traverse City Office (231) 922-5228
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FLINT VEHICLE CITY

CAPITAL IMPROVEMENT PLAN

INTRODUCTION & OVERVIEW

The introduction to the Capital Improvement Plan (CIP) is divided into three sections:

- What is a Capital Improvement Plan?
- Why Prepare a CIP?
- How Does the CIP Relate to the Master Plan?

WHAT IS A CAPITAL IMPROVEMENT PLAN?

A Capital Improvement Plan (CIP) is a multi-year program for expenditures by the City of Flint for rehabilitation, replacement, and balancing of the City's municipal infrastructure systems. Projects considered through the CIP process involve proposed investments in the City's infrastructure and facilities, such as police and fire stations, parks and recreation facilities, community centers, offices, roads and sidewalks, and utilities.

Definition of Capital Improvements

Capital improvements are permanent physical improvements, generally expected to have a normal life of ten years or longer. Equipment and objects needed for day-to-day use are generally not considered capital improvements. Smaller projects and projects that are intended to last for fewer than ten years are funded through the City's operating budget.

CIP and Budgeting

A CIP is typically prepared and adopted annually by the Planning Commission and is presented as a recommendation to the Mayor and the City Council. Each year, the plan identifies the physical needs of the City's departments, estimates the costs of proposed projects, and recommends expenditures and sources of funding for priority capital improvements.

As such, the CIP plays an integral role in the process of formulating the City's annual capital budget.

20 Year Horizon

The Flint CIP is a 6-20 year plan of programmed projects for the City's municipal infrastructure systems. The first two years of this plan should form the basis for the City's two-year Capital Approval of annual budgets allocates funds to undertake projects in this period, thus beginning the implementation of the CIP. In addition, capital projects that will need to be implemented between years 7 and 20 are also included to provide a basis for future updates to this CIP.

Uncertainty about the availability of budgets does not allow for these necessary improvements to be planned in the 6-year period and are considered unfunded needs in this CIP.

BENEFITS OF THE CIP

- Assist in implementation of the Master Plan.
- Identify both short- and long-term capital expenditures to allow budgeting.
- Determine regular maintenance needs for City facilities so they remain viable.
- Provide for a more effective evaluation of alternatives and solutions than the crisis-decision process.
- Enhance opportunities for grants by allowing for long-term planning.
- Provide the ability to stabilize debt and consolidate projects to reduce borrowing costs.
- Serve as a public relations and economic development tool.
- Allow for a focus on preserving infrastructure while ensuring efficient use of public funds.
- Provide opportunities for cooperation between departments and other units of government, such as Genesee County and Flint Community Schools, by pooling resources to reduce costs in some instances.

CAPITAL IMPROVEMENT PLANNING IN FLINT

The City of Flint has been significantly impacted by factory closures and population loss, with an 18% decline in population between the 2000 and 2010 census. The loss of jobs and population and decline in local tax revenue and state-shared revenues has had a significant impact on the City's finances. The City returned to state receivership in December 2011, as a result of consistent deficits in the General Fund, a decline in pooled cash, poor budgeting practices, and unfunded liabilities for retiree benefits

Significant progress has been made in addressing the financial issues leading to the assignment of an emergency manager, as the \$19.1 million deficit at the end of FY12 had been eliminated by the end of FY15, largely as the result of a \$7 million emergency loan.

On April 29th, 2015 the Emergency Manager notified the Governor of Michigan that the financial emergency in Flint had been resolved. At that time, the Governor relieved the Emergency Manager of his responsibilities and a Receivership Transition Advisory Board was created to oversee the transition of city affairs, to its charter-designated officials.

For the first time in nearly a decade, the City began FY16

with positive balances in all of its funds. Cash position had drastically improved, and the FY16 and FY17 Budgets are realistically balanced.

Looking forward to FY18 and beyond however, the City will continue to face significant challenges as expenditures are projected to outpace any increases in revenues leading to operating deficits in many of the City funds. Water rate increases and the renewal of two City millage's (Public Safety and Parks and Recreation), will assist in ensuring ongoing sources of funding exist for much needed capital improvements, but will limit the amount of progress that can be made without additional sources of revenue or other decrease operational costs.

While the City continues to await resolution of litigation over retiree healthcare that could devastate the City's financial position, a number of issues emerging in Q1 of FY16 have adversely impacted the ability to complete even planned FY16 capital improvements.

On August 17, 2015 a preliminary injunction order was issued against the City requiring that the City immediately reduce its water and sewer rates. In addition, the order barred the City in shutting off a service for non-payment or collecting delinquent balances prior to August 17.

This led to a projected increase of uncollectible accounts of approximately \$11 million, a decrease in monthly billed revenue and a drop in the number of payments being received.

In order to respond to the loss in projected revenue, a spending freeze across the City was implemented. At this time, the freeze remains in effect. For water and sewer funds, it was necessary to identify projects which could be eliminated or postponed to lessen the financial burden of the order and maintain ongoing daily operations. To that end, many of the water and sewer capital improvements were eliminated or postponed with the exception of any projects necessary to ready the City for receipt of water from the Karegnondi Water Authority (KWA).

As a result of the spending freeze and postponement of capital improvement projects in many of the City's funds, the 2016-2021 CIP update largely repeats the City's prior capital improvement plan with projects postponed by one fiscal year. Emerging capital improvement projects have been added and all existing projects have been update to reflect any changes in priority or estimated cost.

A Common Issue

The City of Flint, like many municipalities in the United States, has been severely impacted by the recession. In the wake of the Great Recession, many local governments in Michigan have witnessed a decrease in property tax and income tax revenues while seeing the level of state- shared revenue reduced.

With less money coming in, younger communities with relatively new infrastructure have been able to cope with severe budget reductions by postponing planned infrastructure installation or expansion. In established communities like Flint, however, budget cuts have led to deferred maintenance on existing infrastructure. This has often resulted in deterioration that now requires significant expenditures to catch up.

Many of the improvements listed in the CIP are a direct response to both the years of neglect due to severe budgetary issues and the fact that there has not been a Master Plan or comprehensive CIP developed for the City in decades.

Rising Costs of Deferred Maintenance

In April 2014, the City of Flint formally transitioned its primary source of drinking water by connecting to the Flint River. As a result of this switch, the corrosive nature of the treated river water has led to an accelerated aging process of the City's water infrastructure. This unexpected result of the switch has directly led to a shortened useful life of this infrastructure. While the total cost for replacement of all City-owned water mains and property service lines is estimated, this total cost could approach or exceed \$1 billion dollars.

Providing ongoing maintenance, such as resurfacing streets and repairing or replacing leaky roofs, is vital for maintaining the condition of assets. When maintenance is not fully funded, it contributes to deferred maintenance and capital costs. The City has not funded required maintenance on most facilities due to tight budgetary constraints and competing priorities. As a result the City has a large backlog in deferred capital projects which is likely to significantly increase as more information is collected on the actual condition of City facilities. Compounding the problem, as assets continue to

deteriorate, the cost of repair will exponentially increase and can result in peripheral damage. For example, deferring roof replacement could later result in needing to replace the roof structural members, walls, and floor of a building.

Getting the Most out of Existing Infrastructure

The challenge to maintain services in the midst of shrinking resources and increasing costs has put pressure on City government to make its limited capital resources work more efficiently. City administration, elected and appointed officials, and staff, working under the oversight of an Emergency Manager appointed by the Governor, have taken several steps to make capital expenditures more closely reflect long-range objectives. However, the population and job losses, years of neglect, and lack of regular maintenance on much of the City's infrastructure, facilities, and properties have taken their toll.

City Budget
Making progress on the

budget deficit has required difficult decisions and sacrifices, including dedicating minimal resources to capital improvements beyond emergency repairs. The FY16 and FY17 budgets were balanced through a mixture of significant revenue increases, significant expenditure decreases, and steps taken to reduce legacy costs. Past revenue increases included increases in water and sewer rates, passage of a 6 mill property tax for police and fire, establishment of a special assessment district for street lighting, and implementation of a fee sufficient to cover the cost of waste collection.

Expenditure reductions included elimination of 20 percent of the City's workforce, compensation decreases equivalent to a 20 percent wage reduction for remaining employees, and the restructuring of health and retirement benefits for current employees and retirees necessary to develop a credibly balanced spending plan. The City continues to work towards a process of realistic budgeting that will enable capital needs to be planned for, rather than reacted to.

Other Influencing Factors

In addition to adopted City policy, including the recommendations of the Master Plan, several factors and recent or on-going initiatives have shaped the development of the CIP. These influencing factors include:

Most City facilities are in urgent need of upgrades, repair, and/or replacement of critical components, such as HVAC systems, roofs, parking lots, sidewalks, plumbing and electrical systems, security upgrades, lighting, windows, etc., and there are several buildings that are closed and not being used. Completion of some energy efficiency and other projects may result in long-term net savings but require initial capital outlays. The CIP calls for several facility assessments to determine the future viability of facilities and prioritize where investments should occur.

Improvements to the City's water system are needed, not necessarily to mitigate the factors from the primary source transfer, but to maintain and replace water system components that are in dire need of improvement or replacement regardless of the water source. Previous studies have shown the current system to have very low efficiency, with losses up to \$2.0 million annually.

The street system in Flint has severely deteriorated. A Pavement Surface Evaluation and Rating System (PASER) study in 2012 found only 8% of Federal-Aid eligible City streets to be in good condition. Estimates for repair of local streets exceed \$50 million.

Sidewalks throughout the City are in unsatisfactory condition and have an estimated unmet need of \$40-85 million for repairs. These sidewalks are old,

cracked, have separations and heaving that are potential safety hazards, creating accessibility issues for persons with certain disabilities. Grants have been used to repair sidewalks in eligible areas but do not result in significant progress to handle needs. Though no detailed inventory is known to exist, it is also extremely likely that a significant number of curb ramps in the City are in poor condition, create access issues for persons with disabilities, and do not meet current standards under the Americans with Disabilities Act. Current city ordinance requires property owners to maintain their adjacent sidewalks. A 50/50 cost share program has the potential to expedite the repairs and improve accessibility throughout the city.

The City owns and operates several dams that are critical to the water supply for the City, as well as for recreational uses. All of them require varying amounts of rehabilitation and repair, with some being mandated to be removed as they are not viable and provide no purpose given the current drinking water system design.

Inflow and infiltration (I/I) into the sanitary sewer results in significant amounts of water being treated that is clean. Much of the I/I is at manholes and perforated manhole covers in floodplain areas that are regularly under water.

Housing diversity is limited, particularly for multi-family housing. Much of the housing stock (82%) was built prior to 1970 and 14.1% of parcels contain houses in poor or substandard condition.

Many residential parcels are vacant lots (22%) and there are thousands of blighted parcels in the City.

Flint Community Schools (FCS) suffers from budget problems, outdated facilities, and loss of students. Enrollment for the '14-'15 academic year was roughly 5,700 students, 86% lower than the peak numbers in the late 1960's. A number of FCS schools have been closed and many of them currently sit vacant awaiting demolition or reuse in some manner.

The City park system, including over 67 facilities and 1,800 acres, suffers from severe neglect. Lack of regular maintenance and upkeep and elimination of most staff and programs has resulted in many facilities being closed. Equipment at most parks is severely outdated and does not meet current design and safety standards, with many parks plagued by trash and graffiti. 34 parks are currently cared for through volunteer-led efforts including park tenders and park adopter programs. This helps reduce the overall cost of trash abatement, but not mowing costs as these groups do not mow many of the city's parks.

Budget issues have led to reductions in staffing and service levels for many city departments. For instance, since 2002 the Parks and Recreation Division has eliminated 89 staff positions, leaving less than 1 full-time employee focused on parks.

WHY PREPARE A CIP?

THE BENEFITS OF CAPITAL IMPROVEMENT PLANNING

Over time, public facilities need major repair, replacement, or expansion and maintaining and upgrading a community's capital assets requires significant financial investment. This investment must be weighed against other community needs and analyzed in light of community goals. The City of Flint, like many cities, is under pressure to make efficient use of capital resources and must make difficult choices. There are more needs than can be satisfied at once, and the selection of one investment over another may shape the development of the City for years to come.

Capital improvement planning is a valuable tool to ensure that choices are made wisely. The City's development goals are implemented, in part, by the careful provision of capital facilities. The benefits of this systematic approach to planning capital projects include:

Focused attention and coordination with community goals, needs, and capabilities – By developing a CIP, capital projects can be brought into line with the City's long-range plans by balancing identified needs with financial capacities. Considered individually, a building renovation, park system improvement, and street widening may all be viable projects, but each project may look quite different when, in the course of the CIP process, it is forced to compete directly with a number of other projects for limited funds.

Optimizes use of the taxpayer's dollar – The CIP helps the Mayor and City Council make sound annual budget decisions. Careful planning of capital improvements helps prevent costly mistakes. In addition, capital planning allows the City to save money in several other ways. For example, investors in municipal bonds tend to look more favorably on communities that have a CIP; if bond financing is selected for a capital improvement project, the City may realize significant savings on interest.

Guides redevelopment and growth – The location and capacity of capital improvements shape the growth and redevelopment of the City.

City decision-makers can use the CIP to develop well thought out policies to guide future land use and economic development that are consistent with the implementation of the Master Plan.

Encourages coordination between departments – Participatory efforts of multiple City service units in the planning and coordination of capital improvement planning reduces scheduling conflicts and ensures that high priority needs are addressed before those of a lower priority. In addition, the CIP can be used to promote innovative management techniques and improve governmental efficiency and effectiveness by combining projects within the same area to provide a lower overall cost than if the projects were constructed separately.

Intergovernmental and regional cooperation – Capital improvement planning offers public officials of all governmental units (City of Flint, MDOT, Genesee County, Flint Community Schools, Genesee County Metropolitan Planning Commission, Mass Transportation Authority, etc.) an opportunity to plan the location, timing, and financing of improvements in the interest of the community and region as a whole. Advance planning also allows these entities to seek funding opportunities that may have limited availability otherwise and provide the potential for coordination/cost-sharing for projects that span community borders and jurisdictions of the various governmental entities.

Maintains a sound and stable financial program – Unplanned emergency expenditures can endanger the financial well-being of the City, as the lack of ability to plan generally leads to higher costs. Sharp changes in the tax structure or bonded indebtedness may be avoided when construction projects are planned in advance and scheduled at intervals over a number of years. When there is ample time for planning, the most economical means of financing each project can be selected in advance. The CIP can help the City avoid commitments and debts that would prevent the initiation of other important projects at a later date.

Participation in Federal or state grant programs – Preparing and regularly updating a CIP improves the City's chance of obtaining aid through Federal and state programs that provide funds for planning, construction, and financing of capital improvements. By knowing which projects are planned, eligibility can be determined and specific grants sought for eligible projects. The CIP should include projects that can be started quickly by having construction documents ready should grant funds become available.

Improves the basis for

Enhances opportunities for

City of Flint *Capital Improvement Plan DRAFT – 1.10.16*

LEGAL BASIS FOR THE CAPITAL IMPROVEMENT PLAN

State of Michigan
The State of Michigan provides for the development and use of a capital improvement plan in the Municipal Planning Act (Section 125.3865, Act 33 of the Public Acts of 2008).

“To further the desirable future development of the local unit of government under the master plan, a planning commission, after adoption of a master plan, shall annually prepare a capital improvements program of public structures and improvements, unless the planning commission is exempted from this requirement by charter or otherwise.”

If the planning commission is exempted, the legislative body either shall prepare and adopt a capital improvements program, separate from or as a part of the annual budget, or shall delegate the preparation of the capital improvements program to the chief elected official or a nonelected administrative official, subject to final approval by the legislative body.

The capital improvements program shall show those public structures and improvements, in the general order of their priority, that in the commission’s judgment will be needed or desirable

and can be under- taken within the ensuing 6-year period. The capital improvements program shall be based upon the requirements of the local unit of government for all types of public structures and improvements. Consequently, each agency or department of the local unit of government with authority for public structures or improvements shall upon request furnish the planning commission with lists, plans, and estimates of time and cost of those public structures and improvements.”

City of Flint
In addition, the City of Flint Charter (Section 4-504) reinforces the City’s planning responsibility, with Section 4-505 calling for periodic review of the plan:

4-504 Comprehensive Plan – “The Mayor shall propose and the City Council, after review by the Planning Commission, shall approve, with the modifications the Council deems necessary, a comprehensive plan of policies for the social, economic and physical development and conservation of the City.”

4-505 Periodic Review of Plan – “After approval of the plan, the Mayor shall annually propose any

amendments necessary to keep the plan current; and the City Council, after review by the Planning Commission, shall consider the Mayor’s proposed amendments and make the modifications in the plan that it deems necessary.”

CIP & ANNUAL BUDGET PROCESS

The City’s Annual Budget itemized and appropriates the funds needed for all municipal purposes. It is generally recommended that budgets separate out capital improvements from operating expenses to ensure a clear demarcation between the two.

The Operating Budget includes the day-to-day operational expenses of the City, such as salaries, supplies, and expenses for programmed activities.

A Capital Projects Budget would include the anticipated capital project costs. The first two years of projects contained in the Capital Improvement Plan should be the basis for formulating the Capital Projects Budget

The City needs to strive to

maximize resources by maintaining a balance between operating and capital budgets. A continuous relationship exists between the CIP and the annual budget and a direct link can be seen between the two documents, as there should be in a strategic planning environment. Budget appropriations lapse at the end of the fiscal year as the operating budget is funded with recurring annual revenues such as taxes, licenses, fines, user fees, and interest income.

Linking Planning to the Budget

The CIP plays a significant role in the implementation of a Master Plan by providing a link between planning and budgeting for capital projects. The CIP process precedes the budget process and is used to develop the capital project portion of the annual budget.

Approval of the CIP by the Planning Commission does not mean that they grant final approval of all projects contained within the plan. Rather, by approving the CIP the Planning Commission acknowledges that these projects represent a reasonable interpretation of the upcoming needs for the City and that projects contained in the first year of the plan are suitable for inclusion in the up- coming budget to be considered and ultimately approved by the City Council

Priorities vs. Funding Availability
Priority rankings do not necessarily always correspond to funding sequence. For example, a road-widening project which is ranked lower than a park project may be funded before the park project because the road project has access to a restricted revenue source, whereas a park project may have to compete for funding from other revenue sources. A project's funding depends upon a number of factors – not only its merit, but also its location, cost, funding source, and logistics.

City Funds with Capital Spending Capacity
101- General Fund for limited capital improvements

402 – Public Improvement Fund (Millage) for capital building improvements

202–Transportation (major Roads) fund

203-Transportation (local roads) fund

590 – Utilities (sewer) capital funds

591 - Utilities (water) capital funds

RELATIONSHIP BETWEEN THE CIP & CITY MASTER PLAN

The completion of the City's "Master Plan for a Sustainable Flint" in late 2013 has formed the basis for Flint's continued recovery. The Master Plan is the first in over 50 years and was the result of collaboration between City leaders, residents, and business owners to develop a vision for Flint's recovery efforts.

The CIP is intended to complement the Master Plan to ensure infrastructure can be provided to meet the goals of the Master Plan, with a clear definition of needs and priorities to assist in budget development annually. However, it must be noted that the City's capital needs far exceed available resources, even with additional funding from non-traditional sources (grants, donations, etc.). The condition of the facilities will require difficult decisions to be made regarding prioritization of CIP projects.

Comprehensive planning influences the programming of capital improvements. As noted above, state law reinforces that link by requiring that the Planning Commission annually prepare a CIP to support and implement Master Plan recommendations.

The City also provides a strong connection between the comprehensive plan and capital improvements in the form of short-range implementation strategies. In addition to the Master Plan, several other planning documents provide implementation recommendations that link the future vision of the community to relatively short-term actions.

These documents include, but are not limited to:

- Parks & Recreation Master Plan
- Flint Parks Assessment & Amenity Inventory
- Reimagining Chevy in the Hole
- Flint River Assessment
- City of Flint Water Reliability Study
- Flint River District Strategy
- City of Flint Water Supply Assessment
- Flint River Restoration Plan
- Flint Downtown Traffic and Parking Study
- Flint Street Lights Project
- City of Flint Water and Waste- water Rate Study
- Portfolio Energy Use Analysis
- State Revolving Fund Report
- Transportation Improvement Plan (TIP)
- City Strategic Plan

CIP as a Planning Document

The CIP is a planning document that serves to consolidate necessary projects associated with the City's various infrastructure asset areas. These needs are gathered primarily from findings of the City's master planning efforts and staff identification through the operations and maintenance of the City's facilities and systems. The CIP provides a methodology for addressing the infrastructure needs to allow staff to determine anticipated funding sources and schedules for the projects necessary to meet the needs, based on priority, and the availability of the financial and staffing resources to perform these projects.

Annual Update Process

The CIP is a dynamic and needs to be reevaluated at least annually. Each year all projects included within the CIP should be reviewed, a call for new projects made, and adjustments made to existing project lists arising from changes in the amount of funding required, conditions or timeline. A new year of programming is also added each year to replace the year funded in the annual operating budget.

The CIP will continue to develop over time. Greater attention shall be devoted to provide more detailed information about individual project requests, program planning, fiscal analysis, fiscal policies and developing debt strategy.

Need for Further Study

A vast majority of Flint’s infrastructure projects are not new infrastructure – it is the need to replace or rehabilitate and adjust the current aged facilities. The infrastructure in place supported a significantly higher residential population and industrial user base, so the infrastructure is generally prepared to support the “rebirth” of the City as described in the Master Plan. Other investigations should be considered to verify CIP needs and benefits, and assist in determining priorities.

PUBLIC INVOLVEMENT

The City is committed to including the public in its recovery efforts and a significant public involvement campaign was included during the Master Plan.

Given both the unusual and unique circumstances during the update of this document, extensive community engagement and outreach was unable to occur. As noted earlier, the current landscapes involving the water and subsequent budget stability leaves many of the projects in this document unattainable at this given time.

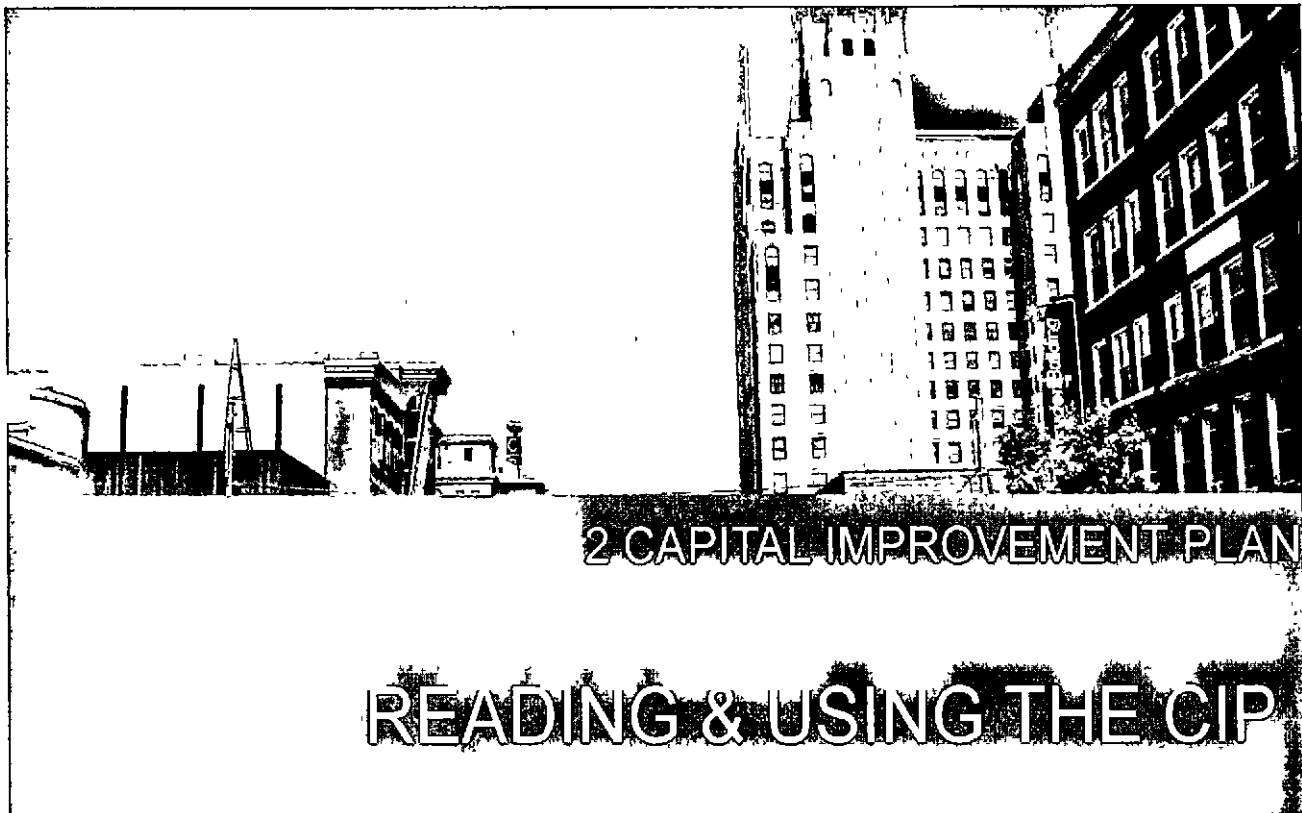
Court, State and even Federal decisions that currently hang in the balance all have a tremendous unknown impact on the implementation of this document. With these uncertainties noted, a traditional outreach process did not occur. Although not ideal, this document has the potential to literally change by the day, and more extensive on-gong community outreach is needed to address the public’s concerns around water.

It is the hope that a targeted outreach process would continue throughout 2016 and far beyond, given the potential lasting effects of the inadequate water that has made its way into Flint households.

PUBLIC INVOLVEMENT

AFTER THE CIP PROCESS

Some of the projects included in the CIP are studies and planning efforts that should incorporate public involvement as an integral part of the project. The majority of the projects that are identified for implementation in the CIP are “traditional” municipal public works projects, such as water main replacements, road reconstructions, park development, government buildings, and structures.



2016-2021 CIP POLICY

This CIP outlines a schedule of public expenditures over the ensuing six-year period. The CIP provides for large, physical improvements that are permanent in nature, including the basic facilities, services, and installations needed for the functioning of the community. These include transportation systems, parks, utilities, municipal facilities, and other miscellaneous projects. The CIP provides a list of high value capital budget items or projects for inclusion in the proposed Capital Budget of the City's Annual Budget Document.

Standards for Inclusion

The City's CIP is a document that initiates and tracks high expenditure capital projects, purchases and programs. To qualify for inclusion in the CIP, a single project or a program of projects comprised of components of a common infrastructure or capital system (e.g., neighborhood parks system, annual street program, etc.) must meet certain standards, which are to be set by the Planning Commission with assistance from City staff and input of residents.

General guidance on the standards for an item's inclusion in the CIP includes that the project:

- Is consistent with an adopted or anticipated component of the Master Plan, a state or Federal requirement, or a City Council approved policy;
- Constitutes a permanent, physical, or system improvement in excess of an established cost or significant equipment purchases in excess of an established cost; or,
- Adds to the value or capacity of the infrastructure of the City.

Unfunded Needs

The CIP cannot address all of the capital expenditure needs for the City. As with other communities throughout the region, state, and nation, the City's infrastructure systems have needs that are mounting at such a rate that they cannot be addressed within the span of a six- year CIP. Some identified needs cannot be addressed because of limits on the annual amount of available funding or staffing resources. Others cannot be addressed because of a lack of any applicable funding source, or perhaps policy or legal restrictions. Furthermore, given the current financial situation created due to legal rulings, the City of Flint finds itself with very little-to-no room for infrastructure upgrades outside of the immediate water systems.

As a result, there are needs whose solutions cannot be implemented within the CIP. Rather than discard or ignore these items, they are included in the CIP as unfunded needs and are shown as being unfunded, with many of them shown out- side of the 6-year window. This information will provide guidance to City staff in examining the limitations and restrictions currently in place and to seek alternative methods to achieve solutions.

Operational & Maintenance Needs

Many cities include within their annual budget an Operations and Maintenance (O&M) Budget and a Capital Projects budget. Projects that are considered operational, maintenance, or recurring are typically excluded from the CIP, but are captured in the O&M Budget portion of the Annual City Budget Document.

In this CIP, some O&M projects are included in the CIP. A separate O&M budget should be developed in future years to include the items that have a regular schedule for maintenance or replacement, such as:

- Minor bridge rehabilitation;
- Minor street repairs and filling of potholes;
- Replacement of roofs, doors, windows, etc.;
- Parking lot reconstruction;
- Computer system upgrades;
- Hydrant and water valve replacement;
- Security system upgrades; and,
- Water meter replacement.

Capital Projects Budget

Approval of the CIP by the City Council does not mean that the Council grants final approval or authorization for all the projects contained in the plan. Rather, by approving the CIP Council acknowledges that they agree that these projects represent a reasonable interpretation of the upcoming needs for the City, with the projects contained in the first two years of the plan being the basis for the City's next Capital Projects Budget. Until a project is contained within an approved annual budget and funding is identified, projects and schedules for each included in the CIP are only guides that are likely to be changed as conditions change.

ASSIGNING PRIORITY

The following classification system has been used to prioritize capital improvement needs and is used in the list of CIP projects in this document:

PRIORITY 1 – URGENT *Urgent, high-priority projects that should be done if at all possible.*

These include projects that are required to comply with a Federal or state requirement; projects that would address an emergency or remedy a condition dangerous to public health, welfare, and safety; projects that would provide facilities for a critically needed community program; projects needed to correct an inequitable distribution of public improvements in the past; and projects vital to the economic stability of the City. A special effort is made to find sufficient funding for all of the projects in this group, realizing that this is not feasible given the significant needs

PRIORITY 2 - IMPORTANT *High-priority projects that should be done as funding becomes available.*

These include projects that would benefit the community and projects whose validity of planning and validity of timing have been established.

PRIORITY 3 – DESIRABLE *Worthwhile projects to be considered if funding is available.*

These are projects that are adequately planned, but not absolutely required, and should be deferred to a subsequent year if budget reductions are necessary. These projects may end up being included within a funded portion of the CIP if alternative sources of funding are identified.

CIP Project Narratives

The CIP includes an extensive inventory of capital improvement projects proposed for inclusion in the proposed Capital Budget of the City's Annual Budget Document. As a planning document with a direct impact on the physical make-up of the city, the projects included in the CIP should support long-term City policy established in the Master Plan.

2015 CIP Progress

It is important to note the significant amount of effort and progress that has been either initiated or completed over the course of the previous CIP year. Given that 2015 represent the first, official combined CIP in the City's history, the 2016 CIP update will highlight a handful of the significant projects that were addressed from the previous year, and also update on a broad basis, the total progress that has been achieved by the City, within each chapter. To make the document easier to read and follow, a color-coded system has been devised to help the reader track the progress and understand the document:

Project Completed in 2015 -

Project On-Going from 2015 -

Project Added from 2015 -

Project Removed from 2015 -

Imagine Flint Master Plan for a

Sustainable Flint

The Master Plan utilizes an innovative "placemaking" approach, which defines desired places within the City. While traditional approaches to city planning are often concerned with the specific "uses", the Land Use Plan builds on the idea of establishing unique and desirable places. The Place-Based Land Use Plan is the central component of the Master Plan, the implementation of which individual capital projects should work toward.

Master Plan Place Types

The Land Use Plan establishes 12 distinct place types within the city that provide for various land uses and types of places, essential for creating a harmonious and inviting community in which to live, work, and visit. The following summary highlights the intent of each place type. Chapter 4: Land Use Plan of the Master Plan provides detailed descriptions accompanied by a series of implementation strategies for each place type.



Community Open Space

Community Open Space areas are designated where parks, open spaces, and environmental features predominate. These areas are defined by: large natural features, such as large greenways along the Flint River, Swartz Creek, Gilkey Creek, and Kearsley Creek, areas around Thread Lake, Kearsley Reservoir, and Flint Park Lake, large wooded areas and urban forests, and, other City parks and open spaces.



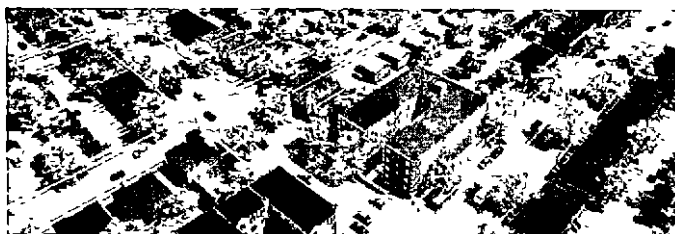
Green Neighborhoods

Flint's Green Neighborhoods are areas where previously vacant or underutilized properties have been repurposed. They have become low-density, residential neighborhoods with a significant amount of land dedicated to green uses, community gardens, small-scale urban agriculture, and small open space areas.



Traditional Neighborhoods

The Traditional Neighborhood is the building block of the Flint community. It is where most people live and families are raised, in primarily detached single family homes. Flint's Traditional Neighborhoods are supported by various other uses including schools, community centers, religious institutions and parks.



Mixed Residential

Mixed Residential areas are generally concentrated around Downtown, providing a local population to help patronize Downtown businesses. Mixed Residential areas are also situated along busy corridors, providing an opportunity for transit-oriented development and more robust commercial services.



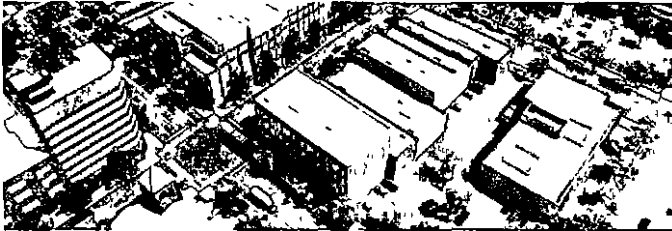
Neighborhood Centers

Neighborhood Centers are a focal point of Flint's neighborhoods and are distributed throughout the City. Neighborhood Centers are primarily located at the intersection of busy streets that provide ease of access for nearby residents and contribute to the overall activity of the area.



City Corridor

City Corridors are situated along Flint's busiest roads, providing areas for a range of activities on parcels easily accessible by automobiles and serviced by transit. City Corridors leverage the economic potential of traffic and help minimize land use incompatibilities by containing a variety of uses in manageable areas throughout the City.



Downtown

Downtown is a dense and vibrant mixed use area near the geographic center of the City along Saginaw Street, between the Flint River and Interstate 69. Downtown is, and should continue to be, a compact area consisting of a variety of uses that together provide and foster an active pedestrian-oriented area



Civic/Cultural Campus

As home to Mott Community College, the Flint Cultural Center, and the Flint Central High School campus, the Civic/Cultural Campus is a unique area of the City. The Civic/Cultural Campus is a unique place type consisting entirely of institutional and public uses and any redevelopment within this place type should consist of uses that complement or strengthen the existing campus.



University Avenue Core

Flint's University Avenue Core is a unique area of the City, home to Hurley Medical Center, Kettering University, Atwood Stadium, and General Motors Tool and Die. These anchor institutions form the central component of a high-intensity district outside of Downtown Flint.



Commerce and Employment Centers

Commerce and Employment Centers are areas where the development pattern is focused around a community anchor such as a large employer, regional commercial center, or a cluster of smaller employment-related uses. Commerce and Employment Centers can attract a significant number of workers and visitors from outside of the community



Production Centers

Production Centers are designated where the City's major industrial centers and economic generators exist such as GM's Flint Truck Assembly and portions of the Buick City site. These intense industrial uses are capable of generating considerable noise, traffic, and other nuisances and should be separated from residential and commercial areas



Green Innovation

The deindustrialization of the City has resulted in a significant population decline and areas of Flint that once consisted of fully built out neighborhoods are now vacant. Areas of Green Innovation represent significant redevelopment opportunities that hold the potential for a variety of eco-friendly and sustainable solutions to repurpose large vacant areas and help reinvent the City.

CIP ORGANIZATION

Several areas of the Master Plan identified infrastructure/capital projects and the CIP maintains the same chapter structure to enable a one-to-one comparison between CIP projects and Master Plan policy. The CIP is organized into the following chapters:

- Chapter 1 – Introduction & Overview
- Chapter 2 – Reading & Using This CIP
- Chapter 3 – Housing & Neighborhoods;
- Chapter 4 – Transportation & Mobility;

- Chapter 5 – Environmental Features, Open Space, & Parks;
- Chapter 6 – Infrastructure & Community Facilities;
- Chapter 7 – Economic Development & Education; and,
- Chapter 8 – Public Safety, Health, & Welfare.
- Chapter 9 – Moving Forward

To assist with implementation of the Master Plan and align CIP projects with long-term City policy, the CIP has been organized around the core chapters of the Master Plan. The CIP includes several sections with corresponding Master Plan chapters, including those in the above table.

Grouped CIP Projects

Within each section, CIP items have been grouped based on the various sections and sub-headings contained within the Master Plan. This will enable a one-to-one comparison between City policy identified in the Master Plan and the projects identified in the CIP. So, for example, improvements to traffic signals along Pierson Road directly relate to the “Technology & Wayfinding” section of the Transportation & Mobility chapter.

In some sections the categories are further subdivided to ensure there is clear delineation of needs for departments. This is most significant for the Infra- structure & Community Facilities section, which is subdivided for City Hall, miscellaneous City facilities, Water Department, and Sewer Department subsections in the CIP.

Information Sources

Capital projects and costs listed were obtained from a variety of sources, including:

- Lists of capital projects provided by various departments;
- Applications prepared by the City for various grants; and,
- Previous studies prepared by the City, other governmental entities, or consultants on behalf of either.

In some cases, projects listed have had very little detail prepared and cost estimates have been approximated based on the anticipated scope of the project. It is very likely that many of the costs noted for various projects will vary, sometimes considerably, when additional information or analysis is obtained.

CIP ORGANIZATION	
CIP CHAPTER	MASTER PLAN CHAPTER
3	Chapter 5 – Housing & Neighborhoods
4	Chapter 6 – Transportation & Mobility
5	Chapter 7 – Environmental Features, Open Space, &
6	Chapter 8 – Infrastructure & Community Facilities
7	Chapter 9 – Economic Development & Education
8	Chapter 10 – Public Safety, Health & Welfare

READING CIP PROJECTS

All projects have the following information provided:

- **Project Name** – a short description of the project.
- **Project Narrative** – provides additional detail about each project that is known at the time of the CIP completion. The exact extent of the scope of all projects may not be known at this time but the narrative does give additional detail that is not always obvious in the Project Name.
- **Priority** – as discussed previously, all projects were given a priority based on their need. Priority is provided for projects on a case-by-case basis and there is no ranking between projects either within a department or between departments. In considering the priority, a number of factors were considered. Of primary importance was how the project might assist in implementation of the Master Plan, as well as other plans (e.g., Strategic Plan), provide a long-term cost savings or other similar benefit (e.g., roof replacement/repair prevents interior water damage to a building), or is required as a regulatory requirement (e.g., dam repair required by the state).

Priorities are stated as:

- 1 **URGENT:** projects that should be done if at all possible
- 2 **IMPORTANT:** projects that should be done as soon as funding is available
- 3 **DESIRABLE:** worthwhile projects that can be deferred if needed

Projects have also been ordered within each priority group such that the most important projects are at the top of the list and least important at the bottom. For example, various roadway improvements are listed as '2 – IMPORTANT', but some projects should be implemented ahead of others within that priority group based on their location and the place type they serve.

- **Total Cost** – the total cost of the project, which may be a one-time cost, multi-year, or continuous. For continuous cost projects (i.e., projects such as water-main replacements done every year on a 20-year cycle), the total cost shown is for the 20-year CIP duration.

- **City Cost Share** – the portion of the total cost assumed to be the responsibility of the City.

- **Non-City Funds** – funding provided by grants, donations, or other sources not part of the City's budget.

With regard to City cost share, unless a non-City fund source such as a grant has been identified and secured, it is assumed that the City will be responsible for funding 100% of the cost of the project.

CIP PROJECT SPREADSHEET

The information in the following CIP tables is a summary of the CIP Project Spreadsheet included at the end of the CIP. The project spreadsheet includes similar information in a slightly different format. The most relevant difference is that the spreadsheet includes an "Unfunded Needs FY 2015-2035" column. This column reflects the amount of the total cost of each project that is currently unfunded – essentially not included in an approved budget, has no identified funding source except for the City budget, an assumed match for a grant that is or may be sought for the improvement, etc.

Many "unfunded" projects are likely to be included in a future CIP update and may have funding from alternate sources. All projects contained on the CIP spreadsheet are included in the tables below, with some multi-phase projects on the spreadsheet lumped together into one project (e.g., design engineering, construction, and construction engineering for road projects are split into three phases on the spreadsheet but combined below).



The City of Flint has lost approximately half its population over the past fifty years. This population loss has resulted in a tremendous physical impact across Flint's neighborhoods, with some experiencing significant vacancies and degrading housing conditions, while other neighborhoods have fared more favorably, but are still fighting to remain stable

The Housing and Neighborhoods Chapter in the Master Plan outlines a wide variety of strategies needed to address the drastic changes that have occurred in Flint's neighborhood structure. In more populated neighborhoods, the City must devote resources toward vacant lot maintenance, targeted demolition, building rehabilitation, and code enforcement to prevent these neighborhoods from destabilizing

In other traditional single-family neighborhoods experiencing significant population loss, the City should focus on helping these areas evolve into well-maintained, less dense, "green neighborhoods." A few neighborhoods with extreme population loss are being repurposed to make way for non-residential development that can make productive use of largely vacant areas.

The CIP plays an important role in tying infrastructure improvements to the needs of each neighborhood place type identified in the Master Plan.

CIP Vision for Housing & Neighborhoods

Imagine thriving neighborhoods, free of blight, where a targeted demolition stabilizes traditional neighborhoods and transforms high-vacancy neighborhoods into stable green neighborhoods with larger lots, community gardens, and well-maintained open space. Imagine inclusive neighborhoods teeming with mixed-income and mixed use developments integrated into the fabric of the community and connected to transit and walkable retail options. Imagine neighborhoods with re-tooled, modern infrastructure that is well-matched to the service needs of the population.

Capital Improvement Overview

Housing maintenance or neighborhood stabilization projects are typically not included in a Capital Improvement Plan. Unfortunately, the burden of managing vacant properties falls on local government and cities like Flint are struggling to find the resources necessary to demolish or rehabilitate vacant buildings and take care of vacant property. Moving forward, it is important to note that the City continue to commit its Community Development Block Grant Funds and pursue additional grants to fund neighborhood stabilization efforts such as owner occupied rehabilitation and new housing construction. The City should also use grant funds to help stimulate multi-family supply in a fairly weak housing market

Imagine Flint

Neighborhood

Planning Initiative

The City has committed to completing 10 - 15 neighborhood plans within the City by 2020. Investments in improving the quality of housing, along with strategic investments in neighborhood infrastructure should be guided by this neighborhood-level planning effort. In November 2015, the City was awarded a multi-year grant from the Ruth Mott Foundation to begin this process. The grant will enable to the City to develop and implement two (2) neighborhood plans annually, over the next two years. The City should continue to work with its community partners and identify the necessary funding to carry-out this program indefinitely.

HUD Choice Neighborhoods Planning Project (CN)

The City, in partnership with the Flint Housing Commission (FHC) was awarded a \$500,000 CN planning grant for the South Flint community. The grant specifically focuses on the Atherton East housing complex, one of the most isolated and crime-ridden developments within the City. Identified in the master plan as an inequitable development, the site currently lies within a floodplain. The grant will allow the City, FHC, and residents of the South Flint community the ability to craft a transformation plan

for housing rehabilitation and relocation. The plan and any new potential development would focus on creating vibrant mixed-income neighborhoods that include quality, affordable housing and a multitude of options for the residents of South Flint.

Housing & Neighborhoods – 2015 CIP Progress

It's important to document and detail the tremendous amount of work being done by the City over the past year. The following details the significant progress and investment made towards improving Flint's housing and neighborhoods. In all, there are 8 on-going projects that total roughly \$12.8 million dollars in capital improvements to Flint neighborhoods.

A full list of the projects can be found on the project spreadsheet listed within this chapter.

Hardest-Hit Funding.

The City and GCLBA partnered again in 2015, resulting in \$12 million of Federal demolition dollars being awarded to the GCLBA, to address abandoned properties in Flint. The funding will result in 800-1,000 additional problem properties being removed from neighborhoods.

Blight Removal Activities.

The City continues to take a community-driven approach to eliminating blight. 2015 produced some astounding numbers of blight removal:

- Over 1,000 tons of trash removed.

- 31 participants of Operation Fresh Start.
- 4,208 enforcement complaints received; 3,551 responded to and 1,826 resolved.

Neighborhood Inventory Program.

The City continued to partner with the Community Foundation and their NSG program to offer \$21,000 in mini-grants for neighborhood data collection work. In all, 70,000 pieces of data was collected.

Housing & Neighborhoods Policy

The following housing and neighborhood policies are derived from the Master Plan and should shape all projects moving forward. These policies provide a framework for evaluating the merits of any capital improvement project. For detailed discussion of each policy, please refer to the Master Plan section and the page referenced.

Housing options diversification.

The City partnered with MSHDA to commission a Target Market analysis report. The TMA should be used to encourage new, quality multi-family housing options to meet the new place based land use patterns.

Master Plan reference Diversifying Housing Options, pp 93-95.

Data-driven investment.

The City developed a blight-matrix that uses data to guide future block-level intervention. This has produced a data-driven foundation to make investment decisions that align with the Land Use Plan.

Master Plan reference Developing An Investment Framework, pp. 97-100

Neighborhood stabilization.

The City continues to equitably commit funds for neighborhood stabilization, with at least half allocated to Green Neighborhood.

Master Plan reference: Neighborhood Revitalization Priorities, p. 101; Eliminating Blight and Urban Decay, p 110

Code enforcement.

The City continues to develop a pro-active code enforcement program designed to first address absentee property owners in the city who are failing to adequately provide care to their property. Currently a Magistrate position is being created to help expedite citations created through Code Enforcement.

Master Plan reference Code Enforcement, p 101.

Low-Maintenance

Restoration & Greening.

With funding from HHF, the City and GCLBA have begun to restore recently demolished lots with low-growth clover. The planting of clover offers a significant reduction to annual maintenance of vacant lots, resulting in two (2) mowing's a season.

Master Plan reference: Greening & Repurposing, pp. 102-103

HOUSING & NEIGHBORHOODS CAPITAL IMPROVEMENT PLAN

Blight Elimination

The Master Plan calls for the development of a multi-phase blight elimination framework that serves to stabilize neighborhoods through a collaborative approach between residents, local government, institutions, community groups, and business leaders and developers. In its important campaign to end blight in Flint, the City produced a Five-Year Blight Elimination Framework with assistance from the Genesee County Land Bank. The blight elimination framework uses the Master Plan place types to provide direction for blight removal, which can be used by institutions, residents, business owners, public officials, and the entire Flint community. Grant funding is aiding in the implementation of this document.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Code Enforcement Provide effective code enforcement to support blight removal and work to ensure that properties remain blight free. 5-year cost.	1 – URGENT	\$2,500,000	TDB	TDB
Boarding Boarding of 5,000 structures. 5-year cost.	1 – URGENT	\$1,100,000	TDB	TDB
Mowing Mow 20,000 properties annually with next-door support and using mow strips for properties not adjacent to occupied properties, if not reused. 5-year cost.	1 – URGENT	\$17,988,300	TDB	TDB
Waste Removal Removal of 71,000 tons of trash, debris, and hazardous trees. 5-year cost.	1 – URGENT	\$3,800,000	TDB	TDB
Demolition Demolish 5,000 vacant and blighted residential structures. 5-year cost.	1 – URGENT Grant Funds Secured	\$63,950,000	TDB	TDB
Vacant Lot Reuse Facilitate reuse of 5,000 vacant lots. 5-year cost.	1 – URGENT Grant Funds Secured	\$1,400,000	TDB	TDB

HOUSING & NEIGHBORHOODS CAPITAL IMPROVEMENT PLAN

Improving Neighborhoods

Investing in Flint's existing neighborhoods is a key component in improving quality of life, a guiding principle of the Master Plan. The City should continue to identify projects and initiatives that improve neighborhoods in accordance to the Master Plan

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Smith Village Landscaping and Green Infrastructure Plan The Renaissance of Smith Village Development is nearly complete. This plan will address remaining issues such as inconsistent grading and drainage, and make the neighborhood more attractive through better streetscape and landscape design. These issues give us the opportunity to make Smith Village a demonstration project for the implementation of green infrastructure, helping the City cut long term maintenance and utility costs while becoming more sustainable in the process.	2 – IMPORTANT	\$75,000	\$75,000	\$0
Smith Village Landscaping and Infrastructure Improvements Implementation and construction of the above plan. Will include, streetscape and gateway improvements, landscaping and grading, sidewalk and utility repairs, and green infrastructure elements such as rain gardens.	2 – IMPORTANT	\$195,000	\$195,000	\$0
LED streetlight program Converting existing streetlights to LED fixtures would require an initial capital outlay but the savings in energy costs was anticipated to have a payback of as soon as 3 years (based on EPICS-Purdue University study).	3 – DESIRABLE	\$5,00,000	\$5,000,000	\$0
Residential Parcel Assessment Biennial inventory of residential parcels for structural quality and housing vacancy. Cost of undertaking one such inventory is \$20,000.	2 – IMPORTANT Grant Funds Secured	\$20,000	\$0	\$20,000
Choice Neighborhood Planning Project Development of a comprehensive Transformation Plan for the south Flint community, which specifically targets the Atherton East housing complex. The plan includes funding for "short-term" action projects to improve the quality of neighborhoods in South Flint.	1 – URGENT Grant Funds Secured	\$500,000	\$500,000	\$0
Imagine Flint Neighborhood Planning Initiative Two-year planning project that will create at least 4 neighborhood plans across Flint.	1 – URGENT Grant Funds Secured	\$487,580	\$177,580	\$320,000
Interactive Parcel Mapping Platform Development and implementation of a parcel based mapping platform accessible to residents to assist with City code enforcement efforts and neighborhood stabilization.	2 – IMPORTANT	\$50,000	\$0	\$50,000



4 CAPITAL IMPROVEMENT PLAN TRANSPORTATION & MOBILITY

The City must approach transportation and mobility with a strategy that is driven by the Master Plan. The City is primed to leverage its strategic regional location, access to the interstate highway system, and connection to Bishop International Airport for new economic development efforts. The City is also faced with the challenge of restructuring its transportation and mobility systems that were designed and built for a population twice that of which they currently serve.

The Transportation & Mobility Plan of the Master Plan stresses the need to work with agencies, to better coordinate efforts, to manage and maintain their roadways, and improve the transportation system in Flint. Furthermore the city must undertake and support initiatives that reduce dependence on the automobile

while improving walkability and bikeability.

Land use and transportation are inherently linked. Together, they create the places people go and the ways they get there. Land use and transportation must be closely coordinated to ensure that Flint grows in a sustainable and efficient way.

All policies and projects should consider the impacts on both the City's land use pattern and transportation network based on the following questions:

- Does the existing transportation system support anticipated development?
- How can future development complement the transportation network?
- What modes of transportation are most appropriate for a given area?

- How can investment in transportation accomplish other community goals, including neighborhood stabilization; infrastructure improvement; economic development; and the promotion of public safety, health and welfare?
- How does the local environment influence transportation improvements?

that capitalizes on its strategic regional location, access to the interstate highway system, existing railroad infrastructure, and connection to Bishop International Airport to spark new industries and grow companies.

CIP Vision for Transportation & Mobility

Imagine an efficient, coordinated, and reliable transportation system within Flint, where an interactive network of trails, sidewalks, bike lanes, buses, and roads afford all citizens multiple modes of safe transit.

Imagine a Flint that is one of the most walkable and bikeable communities in all of Michigan. Imagine a Flint

CIP Overview

The City of Flint has the opportunity to redesign its image and develop a more efficient mode of transit throughout the city. An aging street network that is severely in excess given the current population counts should be addressed through prioritized projects that align accordingly with the future functional classification map, identifying current and future traffic counts. These roadways offer support to the areas of envisioned higher density and regional opportunities found in the land use plan. Focusing on major road way improvements that offer increased bicycle and pedestrian mobility options will aid the City towards shifting the perception of an auto-oriented town, while providing the vibrant spaces for increased recreation and reduced long-term maintenance for the city to manage.

A strong prioritization on road diet projects and streetscape improvements present lower cost options that offer higher reward returns. Furthermore, the transportation and mobility CIP has the opportunity to connect with the larger regional transit network, of which air, rail and public transit have tremendous long-term opportunities. Linking increased passenger rail options with a growing state network of public transit options provides opportunities for Flint to significantly tap into its strategic location

Transportation & Mobility – 2015 CIP Progress

It's important to document and detail the tremendous amount of work initiated by the City

over the past year and document the progress being made from the previous years CIP.

In all, 4 major projects were fully completed and an additional 13 have begun and still remain in progress. This substantial progress results in roughly \$2.9 million fully executed on CIP projects last year (2015) and another \$19.9 million worth of capital improvements that remain "in progress".

The following details the significant projects and investment made towards improving Flint's roads and increasing mobility for all residents and visitors. A full list of the projects can be found on the project spreadsheet listed within this chapter.

Pierson Rd. CMAQ Project
\$420,000 project designed to upgrade traffic signals and remove unnecessary ones.

N. Saginaw St. Rehab.
\$2.5 million dollar project that rehabilitated 1.8 miles of N. Saginaw St.

Stewart St. Bridge
A \$400,000 project that provided preventative maintenance that runs over Buick City.

Genesee Valley Trail
A 10-foot wide non-motorized trail was completed that connects the City with the larger, regional trail network.

Transportation & Mobility Policy

The following transportation and mobility policies are derived from the Master Plan and should shape all projects moving forward. These policies should provide a framework for evaluating the merits of any given

capital improvement project. For detailed discussion of each policy, please refer to the Master Plan section and page referenced

Infrastructure Design

An increased emphasis on road diets and traffic calming is taking shape as multiple City-streets are awaiting the results of engineered road diet studies.

Master Plan reference:
Infrastructure Design, p 123-126

Trail Development

The City completed and remains in negotiations to build additional non-motorized trails.

Master Plan reference:
Trail Improvements, p 128

Street Tree Management

A tree inventory has been conducted and a draft street tree management plan is currently under review. Once finalized, adequate dollar amounts will be appropriated in upcoming CIP updates.

Winter Plowing & Storage

There is a need to acquire a second location to store salt during the winter months to reduce reload and travel time when plowing city streets. Additionally, due to the age of the fleet, there are mechanical challenges faced by the Department. DPW will need access to an indoor storage facility to help decrease startup/down times.

Aging Fleet

Due to the aging of the fleet used to perform winter maintenance activities, the City desperately needs to start replacing the tandem trucks to reduce the repair costs and downtown currently being experienced. DPW is proposing to purchase at least two trucks/year, during the next three years.

Pedestrian Safety (Walking Audit)

The City will be partnering with community groups to begin to audit the city's sidewalk network while also assessing the ADA compatibility.

Master Plan reference:
Signage & Safety, p. 130-132

Sidewalk Repair (50/50 Program)

The City launched a 50/50 program works to repair faulty sidewalks with partial payment coming from homeowners. The City should also continue to secure federal, state, and grant funding for the repair or installation of sidewalks.

Master Plan reference:
Signage & Safety, p. 131

Mass Transit Authority

The MTA should be consulted to determine needs related to local infrastructure (bus turn-outs, stop locations, intersection phasing, ITS applications, etc.) and identify desirable modifications to established routes.

Master Plan reference:
Transit, p. 133-136

Data Collection efforts

The City launched an aggressive program to better understand exactly "where" mobility problems are occurring. The problem spotter technology allows residents and DPW staff to identify problems in real time, through the use and collection of data.

TRANSPORTATION & MOBILITY CAPITAL IMPROVEMENT PLAN

Maintenance of Existing Streets

The street network within the City includes more than 550 miles of roadways. The current network of local streets has long been neglected, with estimates of repairs needed at \$50 million, and this estimate may be well below actual costs when considering the full scope of projects. Even with the undeniable need, the FY 2012-13 maintenance programs accounted for only 4.5 miles of resurfacing. At that pace, City roadway resurfacing would be completed on a 122-year cycle even though the life expectancy of an asphalt roadway is 20 years at best. Pavement Surface Evaluation and Rating System (PASER) ratings in 2012 found only 8% of City streets to be in "Good" condition, down from 28% in 2008.

Investment in streets is vital to accomplishing the goals of the Master Plan and should be considered an investment in other aspects of the community. The goods and people transported by the street network supports commerce, industry, health, education, activity, and other important functions. Land use changes in the City and their relationship to the changing transportation needs should be analyzed in great detail as part of any redevelopment project. The Master Plan discussed a number of concepts and techniques to consider in various parts of the City to reflect the change in context, multi-modes of transportation available, and current practices in the industry.

Opportunities to make improvements, such as instituting Complete Streets, converting one-way streets to two-way in the area, consolidating curb cuts, reconnecting cul-de-sac streets, road diets, reconfiguring intersection alignments, removing traffic signals that are no longer needed, signal technology improvements, and access management (all of which are discussed in detail in the Master Plan Chapter 6), can all contribute to "right-sizing" the roadway network to meet the needs of the new Flint and be a critical infrastructure improvement for implementation of all aspects of the Master Plan. Eliminating some roadway segments can be done without compromising local mobility or character of neighborhoods, and these segments then do not compete with critical segments for maintenance dollars. There are numerous four-lane roadways throughout the City that have Average Daily Traffic (ADT) totals below 20,000, making them candidates for a road diet via conversion to three-lanes or narrow median four-lane boulevard, along with other improvements specific to the modal requirements of the corridor. A number of the projects included below include review of feasibility of a road diet implementation (see page 125 of the Master Plan for a complete list and map).

NOTE. It is anticipated that moving forward the City will spend an average of \$75,000 each year for general engineering services. In addition, it is anticipated that the annual cost for bridge inspections and engineering services by consultants will be \$44,000. These annual costs are not included as line items within the following CIP project table.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Lapeer Road – I-69 to Dort Hwy. Milling and resurfacing of existing pavement, pavement repairs, manhole adjustments, and reconstruction of curb ramps from I-69 to Dort Highway. Cost includes PE, construction, and CE.	2 – IMPORTANT	\$1,382,973	\$276,595	\$1,106,378
Future TIP projects Not identified projects 1.5 million dollars for FY21 at assumed 20% cost-share. TIP projects for 2017-2020 recognized individually as new projects in CIP. FY2021 only year with unidentified projects.	2 – IMPORTANT	\$1,500,000	\$300,000	\$1,200,000
Lapeer Road – Center Rd. to Railroad Tracks Milling and resurfacing of existing pavement, pavement repairs, manhole adjustments, and reconstruction of curb ramps from Center Road to Dort Highway. Cost includes PE, construction, and CE.	2 – IMPORTANT	\$1,127,085	\$225,417	\$901,668

TRANSPORTATION & MOBILITY CAPITAL IMPROVEMENT PLAN				
PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Stewart Avenue Milling and resurfacing of existing pavement, pavement repairs, manhole adjustments, and reconstruction of curb ramps from Andrew Street to Dupont Street. Cost includes PE, construction, and CE.	2 – IMPORTANT	\$1,633,690	\$326,738	\$1,306,952
Mackin Road Total reconstruction with storm sewer upgrades, new sidewalk, drive approaches, ADA ramps and signals from Ballenger Highway to Grand Traverse. Cost includes PE, construction, and CE.	2 – IMPORTANT	\$2,500,000	\$485,000	\$2,015,000
Martin Luther King Avenue Total reconstruction with storm sewer upgrades, new sidewalk, drive approaches, ADA ramps and signals from Pierson to downtown. Cost includes PE, construction, and CE.	2 – IMPORTANT	\$3,750,000	\$750,000	\$3,000,000
Hamilton Avenue Project to include milling the existing pavement, pavement repairs, placement of 4 inches of HMA over existing pavement, manhole adjustments, sidewalk ramps and associated sidewalks and curbs reconstructed in accordance with ADA guidelines from Chevrolet to ML King. Cost includes PE, construction, and CE. TIP application submitted. Competing for federal funding award	2 – IMPORTANT	\$830,285	\$166,057	\$664,228
Atherton Road Project to include milling the existing pavement, pavement repairs, placement of 4 inches of HMA over existing pavement, manhole adjustments, sidewalk ramps and associated sidewalks and curbs reconstructed in accordance with ADA guidelines from Ogema to Dort Highway. Cost includes PE, construction, and CE. TIP application submitted. Competing for federal funding award.	2 – IMPORTANT	\$745,316	\$149,063	\$596,252
Grand Traverse Street Project to include milling the existing pavement, pavement repairs, placement of 4 inches of HMA over existing pavement, manhole adjustments, sidewalk ramps and associated sidewalks and curbs reconstructed in accordance with ADA guidelines from Welch to Court. Cost includes PE, construction, and CE. TIP application submitted. Competing for federal funding award.	2 – IMPORTANT	\$2,282,663	\$456,526	\$1,826,106

TRANSPORTATION & MOBILITY CAPITAL IMPROVEMENT PLAN				
PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Flint Cemetery driveway Construct a new driveway to improve accessibility to the cemetery, particularly for veterans.	3 – DESIRABLE	\$100,000	\$100,000	\$0
Saginaw Street Brick Resurfacing Resurface existing brick-surfaced segment of Saginaw Street from the Flint River to Court Street with brick and other materials to improve road surface and environment for safe travel of motorists, bicyclists and pedestrians. TIP application submitted. Competing for federal funding award.	3 – DESIRABLE	\$3,859,415	\$771,883	\$3,087,532
Andrew Street Full reconstruct of Andrew Street from Stewart to Wager. Andrew will remain a 3 lane, one-way road with the potential to be converted to two-way in the future. Cost includes PE, construction, and CE. Preliminary design completed by MDOT. Project to be constructed during calendar year 2016.	1 – URGENT Grant Funds Secured	\$874,971	\$0	\$874,971
Stewart Avenue Full reconstruct of Stewart Ave from James P. Cole to Dort. Stewart will be reduced from a six lane roadway to 5 lanes. Cost includes PE, construction, and CE. Preliminary design completed by MDOT. Project to be constructed during calendar year 2016. Additional \$192,000 grant awarded to cover projected project cost overrun.	1 – URGENT Grant Funds Secured	\$1,628,097	\$0	\$1,628,097
Residential Streets Includes a variety of road treatments to preserve and maintain residential streets annually at a cost of \$2,000,000. Three-year prioritization list to be determined by April 2016 to assist in implementation of Master Plan to meet estimated \$50,000,000 need. Residential paving program to be initiated spring 2016. Enacted Road Funding Bill to provide additional funds for road/bridge maintenance.	1 – URGENT	\$12,000,000	\$12,000,000	\$0
Miscellaneous projects Projects identified for FY 2016/2017 Includes contribution to preliminary engineering for S. Saginaw Street road diet (\$25,000) and funding source identification for Leith Street access project (\$20,000).	2 – IMPORTANT	\$45,000	\$45,000	\$0

TRANSPORTATION & MOBILITY CAPITAL IMPROVEMENT PLAN				
PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Fenton Road Milling and resurfacing of existing pavement, pavement repairs, manhole adjustments, and reconstruction of curb ramps from Hemphill to Campbell Street. Cost includes PE, construction, and CE. Fleis & Vandenbrink performing preliminary engineering and design. Construction anticipated calendar year 2016.	1 – URGENT Grant Funds Secured	\$788,591	\$157,718	\$630,873
Dupont Street Milling and resurfacing of existing pavement, pavement repairs, manhole adjustments, and reconstruction of curb ramps from Stewart Avenue to Carpenter Road. Cost includes PE, construction, and CE. Preliminary design completed. Project to be constructed during calendar year 2016.	1 – URGENT Grant Funds Secured	\$1,970,574	\$656,860	\$1,313,714
Fenton Road Milling and resurfacing of existing pavement, pavement repairs, manhole adjustments, and reconstruction of curb ramps from I-69 to Campbell Street. Cost includes PE, construction, and CE. Fleis & Vandenbrink performing preliminary engineering and design. Construction anticipated calendar year 2016.	2 – IMPORTANT	\$1,984,569	\$661,910	\$1,322,700
MDOT Projects Annual projects anticipated for FY 2015, 2016, and 2017 that require a cost-share by the City to participate. City cost share represents 12.5% of MDOT local share of federal project costs for improvements within City jurisdiction. MDOT completed construction I-69. Construction I-475 scheduled for 2016.	1 – URGENT Grant Funds Secured	TBD	\$556,000	TBD
Hamilton Avenue Project to include milling the existing pavement, pavement repairs, placement of 4 inches of HMA over existing pavement, manhole adjustments, sidewalk ramps and associated sidewalks and curbs reconstructed in accordance with ADA guidelines from ML King to Broadway. Cost includes PE, construction, and CE. TIP application submitted. Competing for federal funding award.	2 – IMPORTANT	\$1,928,498	\$385,699	\$1,542,798

TRANSPORTATION & MOBILITY CAPITAL IMPROVEMENT PLAN				
PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Court Street Project to include milling the existing pavement, pavement repairs, placement of 4 inches of HMA over existing pavement, manhole adjustments, sidewalk ramps and associated sidewalks and curbs reconstructed in accordance with ADA guidelines from Crapo to Center. Cost includes PE, construction, and CE. TIP application submitted. Competing for federal funding award.	2 – IMPORTANT	\$3,296,932	\$659,386	\$2,637,546
Davison Road Project to include milling the existing pavement, pavement repairs, placement of 4 inches of HMA over existing pavement, manhole adjustments, sidewalk ramps and associated sidewalks and curbs reconstructed in accordance with ADA guidelines from Hamilton to Dort. Cost includes PE, construction, and CE.	2 – IMPORTANT	\$1,983,650	\$396,730	\$1,586,920
Fleming Road Project to include milling the existing pavement, pavement repairs, placement of 4 inches of HMA over existing pavement, manhole adjustments, sidewalk ramps and associated sidewalks and curbs reconstructed in accordance with ADA guidelines from Pasadena to Bell Creek. Cost includes PE, construction, and CE. TIP application submitted. Competing for federal funding award.	2 – IMPORTANT	\$1,762,578	\$352,516	\$1,410,062
Kearsley Street Resurfacing project to include milling the existing pavement, pavement repairs, placement of 4 inches of HMA over existing pavement, manhole adjustments, sidewalk ramps and associated sidewalks and curbs reconstructed in accordance with ADA guidelines Chevrolet to Beach. Cost includes PE, construction, and CE. Wade Trim performing preliminary design. Construction anticipated FY 2017.	2 – IMPORTANT Grant Funds Secured	\$1,318,891	\$263,778	\$1,055,113
Van Slyke Road Project to include milling the existing pavement, pavement repairs, placement of 4 inches of HMA over existing pavement, manhole adjustments, sidewalk ramps and associated sidewalks and curbs reconstructed in accordance with ADA guidelines from Atherton to Hemphill and a pedestrian crosswalk added at the Atherton Rd intersection. Cost includes PE, construction, and CE. TIP application submitted. Competing for federal funding award.	2 – IMPORTANT	\$858,837	\$171,767	\$687,070

TRANSPORTATION & MOBILITY CAPITAL IMPROVEMENT PLAN

Technology & Wayfinding

Projects on the transportation network to improve mobility are not restricted to paving or reconstruction. There are many low cost improvements that can be considered that can have a dramatic positive impact on mobility. Given the reduction in population, it is very likely that some intersections that are currently signalized would no longer warrant them. The City has 288 signalized intersections, well over twice the number anticipated for the population according to the Institute for Transportation Engineers (ITE). Conversion of signalized intersections to two-or four-way stop control can save several thousand dollars annually in electricity costs, not to mention the cost of hardware and controllers. For intersections where signals are warranted, improvements can still be made, including coordinating a series of signals on major arterial roadways to allow vehicle platoons driving the posted speed limit to progress through a corridor. Where synchronization isn't an option, alternatives such as changing the cycle length as warranted by traffic throughout the day or addition of vehicle detection systems to modify signal phasing based on traffic volumes in real time can be considered to minimize queuing of vehicles and wasted green time. These changes, in addition to emergency signal preemption and transit signal priority can assist in improving mobility for emergency vehicles and buses

Another, often overlooked, method of improving mobility is through improved wayfinding signage. Addition of distinctive, uniform, and attractive signage along key corridors, intersections, and locations can be instrumental in directing visitors to key destinations, such as downtown, public parking, parks, hospitals, schools, colleges, motels, restaurants, etc. Within key areas such as downtown, additional pedestrian-level maps can further highlight attractions in each area. As the Master Plan is implemented it is very likely that a number of projects in addition to those listed will be identified to improve mobility. The City should collaborate with entities such as MDOT to review traffic signals on state routes and downtown business groups for ideas on wayfinding programs in the downtown. It is also feasible that student projects at one of the local colleges could be done for wayfinding recommendations and options throughout the City.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Analysis of City traffic signals Review of all City traffic signals to determine if they are warranted and, if so determine if synchronization, cycle length changes, etc. can	2 – IMPORTANT	TBD	TBD	TBD
Pierson Road CMAQ Project LED and wireless traffic signal upgrades at 6 of 12 intersections from Harvard to Dort Highway. Traffic signal improvements at the following locations: Pierson Road at Harvard Street, Saginaw Street, Selby Street, and Horton Ave. Improvements include full signal replacement and ADA ramp upgrades at each intersection. Traffic signal removal at the following locations: Pierson Road at North Street and Pierson Road at Industrial Ave. This is the second phase of a project completed in 2012 to	COMPLETED	\$420,517	\$0	\$420,517

TRANSPORTATION & MOBILITY CAPITAL IMPROVEMENT PLAN

Infrastructure Design

Street network improvements that are not typical resurfacing or reconstruction can also have a dramatic impact on mobility. Implementation of “Complete Streets” designed and operated to be safe for pedestrians, bicyclists, motorists, and transit riders of all ages and abilities can often not only ease congestion but also support economic growth, improve safety, encourage walking and biking, improve air quality, and enhance mobility for children. A Complete Streets approach to roadway infrastructure promotes the development of a multi-modal transportation network where safe alternatives to cars are available. The City has adopted a non-binding Complete Streets ordinance stating its support for development of multi-modal corridors, and a logical next step is adopting a binding policy outlining how various components can be integrated into future public and private development projects. The components could include design guidelines, technological improvements, signage, education programs and outreach, road diets, one-way to two-way conversions, addition of bike lanes, access management, mid-block pedestrian crossings/pedestrian signals, traffic calming, and intersection realignment, among others. The Master Plan has already identified a number of corridors in the City that could be candidates for a road diet (conversion from four full width travel lanes, often with full length center left turn lane to generally 2 travel lanes with on-street parking, transit lanes, bike lanes, and/or medians added). A handful of projects have been identified below as a first step in the Complete Streets program for the City during implementation of the Master Plan

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Saginaw Street Milling and resurfacing of existing pavement, pavement repairs, manhole adjustments, and reconstruction of curb ramps from Hamilton Avenue to the Flint River. Cost includes PE, construction, and CE.	2 – IMPORTANT	\$1,940,822	\$388,164	\$1,552,658
Buick City redevelopment perimeter streets Total reconstruction with storm sewer upgrades, new sidewalk, drive approaches, ADA ramps and signals to facilitate redevelopment in the area. Cost includes PE, construction, and CE.	2 – IMPORTANT	\$3,750,000	\$750,000	\$3,000,000
South Saginaw Street road diet Planning staff received a \$30,000 grant to complete the road diet for S. Saginaw St. from I-69 to Hemphill Rd. These resources will result in new bike lanes being created on Saginaw St., a streetscape plan with gateway enhancements being generated and minor streetscape improvements being implemented.	1 – URGENT Grant Funds Secured	\$30,000	\$0	\$30,000
Harrison Street Enhancement Cost includes CE and construction. Rowe Professional Services completed preliminary design. Construction scheduled calendar year 2016	2 –IMPORTANT	\$385,189	\$106,884	\$278,345
Saginaw Street Construction and CE for 1.77 miles of road rehabilitation, including cold-milling of existing asphalt roadway, placement of HMA surfacing, select curb repair, minor base repair including detail 7 & 8 joint repair, manhole cover adjustments, ADA compliant ramp improvements, select storm sewer improvements, traffic signal improvements, pavement markings and restoration from Hamilton to Pierson.	COMPLETE	\$2,449,677	\$444,616	\$2,005,061

TRANSPORTATION & MOBILITY CAPITAL IMPROVEMENT PLAN

Mobility & Access

Given the fact that the City's transportation network hosted much higher traffic volumes than are expected in the future, the existing network is likely a candidate for other improvements not already mentioned that would improve mobility and access. The City should consider a comprehensive analysis of the street network within the City to ascertain what improvements best meet the needs, both current and future. The scope of this analysis should build upon that already completed in the Master Plan but go to a higher level of detail, looking at additional data such as traffic counts, crash data, land use, etc. and develop a more comprehensive listing of projects that can be discussed at a future update of this CIP. This study should also consider the need for connectivity to Bishop International Airport and the state highways and interstate highways in the City (M-21, M-54, I-69, I-75 and I-475), transit needs of MTA, and regional mobility. Other factors to consider is reconnecting cul-de-sacs where mobility would be enhanced, making new network connections to eliminate isolation from a neighborhood, and street removals that no longer serve their original purpose.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
City-Wide Transportation Network Analysis Study suggested performing a thorough analysis of the true needs of the City's roadway network.	1 – URGENT	TBD	TBD	TBD
Bus Rapid Transit The City, in partnership with the Mass Transit Authority (MTA), should pursue a feasibility study on BRT transit along Saginaw Street. Identified as the "primary artery" within Flint, BRT along Saginaw Street would provide increased accessibility and access through much of the City's core.	3 – DESIRABLE	TBD	TBD	TBD
Leith Street (Access Point) Total reconstruction with storm sewer upgrades, new sidewalk, drive approaches, ADA ramps and signals from Dort to Saginaw, which would restore east-west access across I-475 and Buick City and provide access on the north side of the City. Cost includes PE, construction, and CE.	3 – DESIRABLE	\$18,750,000	\$3,750,000	\$15,000,000
Leith Street Bridge Preventative maintenance of the bridge over the C&O railroad includes substructure repairs of the piers under the fascia beams. Costs include construction and CE.	COMPLETED	\$41,977	\$2,098	\$39,878

TRANSPORTATION & MOBILITY CAPITAL IMPROVEMENT PLAN

Bridges

As would be expected, bridges in the City are in a similar situation when compared to the streets. There are a number of vehicle and pedestrian bridges that are in need of regular maintenance, rehabilitation, or replacement. At least 53 bridges in the City are rated as “structurally deficient” or “functionally obsolete” according to a Highway Bridge Report prepared by MDOT in 2013. The City has a total of 32 bridges under its jurisdiction, 23 of which (72%) were found to be “structurally deficient” or “functionally obsolete” according to a Bridge Technical Report prepared by Genesee County Metropolitan Planning Commission. All of these bridges facilitate the movement of vehicles over freeways, other roadways, railroads, and watercourses and are essential to the movement of goods and people in the City. It is unlikely that any of the vehicle bridges are no longer required; however there are some pedestrian-only overpasses that no longer serve their original purpose due to the changes in population, closing of schools, etc.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Atherton Road over Carmen Creek Bridge Preventative maintenance of the bridge over Thread Creek. Cost includes PE, construction, and CE.	1 – URGENT Grant Funds Secured	\$425,000	\$85,000	\$340,000
12th Street Pedestrian Bridge Demolish pedestrian bridge over 12 th Street and railroad at Southwestern Academy. Verify that bridge no longer is needed to meet future plans of Flint Community Schools and Master Plan implementation.	3 – DESIRABLE	\$150,000	\$150,000	\$0
Kearsley Park Boulevard Bridge Preventative maintenance of the bridge over Gilkey Creek. Cost includes PE, construction, and CE.	1 – URGENT Grant Funds Secured	\$135,000	\$32,400	\$102,600
Barton Street Bridge Preventative maintenance of the bridge over Thread Creek. Cost includes PE, construction, and CE.	1-URGENT Grand Funds Secured	\$183,750	\$44,100	\$139,650
Bridge Maintenance Projects Annual allocation to perform miscellaneous routine bridge maintenance projects FY2017 to FY2021. \$200,000 annually.	1 – URGENT	\$1,000,000	\$1,000,000	\$0
Torrey Road (12th Street) Bridge over Carmen Creek Bridge replacement. Costs include PE, construction, CE. Construction anticipated in FY2017	2 - IMPORTANT Grant Funds Secured	\$1,227,500	\$245,500	\$982,000
S. Saginaw Street Bridge over Flint River Preventative maintenance project. Costs include PE, construction, CE. Construction anticipated in FY2018	2 – IMPORTANT Grant Funds Secured	\$387,500	\$77,500	\$310,000
Stewart Street Bridge Preventative maintenance of the bridge over the C & O Railroad includes pin and hanger replacement, deck joint replacement, and cleaning and coating the beam ends. Costs include construction and CE.	COMPLETED	\$414,754	\$20,737	\$394,016

TRANSPORTATION & MOBILITY CAPITAL IMPROVEMENT PLAN

Pedestrian Network

The City has a comprehensive sidewalk network that serves its neighborhoods, commercial areas, and recreational areas. The condition of many sidewalks is deteriorating and areas exist where gaps limit pedestrian safety and mobility. There is no detailed inventory of sidewalks but there is extensive evidence of the need for significant work being needed to maintain, repair, or replace sidewalks. Sidewalk maintenance is an on-going challenge given Flint's limited resources, a problem common in most urban areas. A walkability audit should be performed that identifies pedestrian paths and physical barriers to walking, access to transit, and accessibility to persons with disabilities

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Sidewalk repairs Repairs to sidewalks city-wide with estimated cost of \$40,000,000 minimum. By ordinance, sidewalk repairs are the responsibility of the property owner and a cost-sharing program is being evaluated to facilitate city-wide improvements. An accurate, detailed inventory is needed to assess most critical areas based on Master Plan implementation goals.	2 - IMPORTANT	TBD	TBD	TBD
Walkability audit of City pedestrian network Review of entire network of City sidewalks to determine condition and ADA compliance to allow prioritization of projects. Should include extensive public involvement and be consistent with the implementation of the Master Plan.	2 - IMPORTANT	TBD	TBD	TBD

Right-of-way Maintenance

The City has recently completed a comprehensive street tree audit. These findings are under review and will determine specific monetary amounts dedicated to street tree maintenance for the upcoming years. Additionally, fleet service and upgrades are needed for winter maintenance activities.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Street Tree Maintenance Annual allocation to perform routine maintenance of urban tree system as recommended in the Street Tree Management Plan. Costs include tree removals, plantings, and routine maintenance activities.	2 - IMPORTANT	TBD	TBD	TBD
Salt Storage Facility Secure additional salt storage facility in northern section of City to decrease salt truck reload time and improve plowing efficiency.	2 - IMPORTANT	TBD	TBD	TBD
Equipment Storage Facility Facility to store vehicles to protect engines and mechanical parts to decrease startup time/downtime and improve response times.	2 - IMPORTANT	TBD	TBD	TBD
Tandem Trucks Purchase two trucks per year for the next three years, thereafter follow approved depreciation schedule for vehicle replacements (\$175,000 each)	1 - URGENT	\$1,050,000	\$1,050,000	\$0

TRANSPORTATION & MOBILITY CAPITAL IMPROVEMENT PLAN

Trail Improvements

Trails provide many benefits to the community including an improved transportation system, health and safety, environmental preservation, and economic vitality for the community. Trails and pathways are an important component of creating a livable community and attracting a talented workforce to the City of Flint and Genesee County. The Genesee County Regional Trail Plan included a number of trail projects that should be considered both within the City as well as regional trail connections. The Genesee County Plan identified the Flint River Trail, Genesee Valley Trail, and Grand Traverse Greenway as the top 3 priority trail projects in the county. Groups, such as the Genesee Regional Trail Council (GRTC), consisting of representatives from local communities, Friends of the Flint River Trail, M-15 Heritage Route, Clio Area Pathways, Genesee County Parks and Recreation Commission, Genesee County Road Commission, Genesee County Land Bank, MTA, MDOT, University of Michigan-Flint, Ruth Mott Foundation, and numerous other groups. The purpose of the GRTC is to create an interconnected system of trails linking people and communities throughout Genesee County and guide the development of the countywide trail plan. There are a number of agencies and organizations that offer funding for the development of non-motorized trail systems. The Federal and state government, non-profit organizations, and corporations all offer programs for trail funding, and several funding sources can only be used for non-motorized trail systems. Maintaining eligibility for the various funding sources and seeking funding for improvements is critical to meeting the goals for trails in the City.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Northeast Flint River trail extension (3.8 miles) Estimated from Genesee County Regional Trail Plan (2007)	3 – DESIRABLE	\$1,140,000	\$1,140,000	\$0
Eastern Flint River trail extension (4.9 miles) Estimated from Genesee County Regional Trail Plan (2007)	3 – DESIRABLE	\$1,470,000	\$1,470,000	\$0
Western Flint River trail extension - Carriage Town (1.3 miles) Estimated from Genesee County Regional Trail Plan (2007)	3 – DESIRABLE	\$390,000	\$390,000	\$0
Southern Flint River trail extension - Flint Golf Club (2.0 miles) Estimated from Genesee County Regional Trail Plan (2007)	3 – DESIRABLE	\$600,000	\$600,000	\$0
Western Flint River trail extension - Mott Park (2.2 miles) Estimated from Genesee County Regional Trail Plan (2007)	3 – DESIRABLE	\$660,000	\$660,000	\$0
Southern Flint River trail extension - Swartz Creek (2.8 miles) Estimated from Genesee County Regional Trail Plan (2007)	3 – DESIRABLE	\$840,000	\$840,000	\$0
Southern Flint River trail extension - CSX railroad (3.1 miles) Estimated from Genesee County Regional Trail Plan (2007)	3 – DESIRABLE	\$930,000	\$930,000	\$0
Genesee Valley Trail Construct 10-foot wide non-motorized pathway from Chevrolet Ave. to M-21.	COMPLETED	\$655,803	\$131,070	\$524,733



5 CAPITAL IMPROVEMENT PLAN

ENVIRONMENTAL FEATURES, OPEN SPACE & PARKS

Built around the Flint River, the City has always had a direct relationship with the natural environment. The Master Plan presents an opportunity for the City to generate greater social and capital benefits from its environmental features, open spaces, and parks.

Open space and parks are critical components of urban life. They provide opportunities for passive and active recreation, access to nature, enhanced air and water quality, and help define the character of each neighborhood and community as a whole. They also present possibilities for improving the efficiency of the City's infrastructure and capital systems.

Accordingly, the Master Plan establishes the framework for more extensive blue/green corridors throughout the City, that are complemented by linked trails, paths, parks, and other open space amenities. Investment in environmental features, open spaces, and parks capital is needed to generate greater benefits from these assets.

The Environmental Features, Open Space & Parks Plan in the Master Plan aims to balance some of Flint's most significant challenges with unique opportunities to enhance the quality of life for its residents, and create a natural framework around which to build a new, prosperous Flint. It also identifies ways that water bodies, green open spaces, and parks can dovetail into other planning efforts, including land use, transportation, community facilities, public safety, and more.

CIP Vision for Environmental Features, Open Spaces & Parks

Imagine a new national reputation for Flint, with the City positioned as a post-industrial leader in protecting the environment and building upon its natural assets to clean polluted air, land, and water, and confront climate change. Imagine an extensive network of well-kept parks, safe and accessible to all and beautifully maintained. Imagine the Flint River revitalized by an alliance of City, non-profit, volunteer, and resident partners. Imagine the Flint River as an anchor for economic growth and recreation and home to a vibrant "green waterfront" of parks and trails spanning the entire length of the river.

CIP Overview

Primary capital investments within Flint parks system should be made in conjunction with the land use and transportation and mobility plans, ensuring that any investment, even minimal in nature, over the next 5-years be targeted at the *vulnerable populations*, thus aiding neighborhood stabilization and our Youth demographics.

Increased emphasis should be placed on implementing alternative methods to address the traditional landscapes that are found throughout many Flint parks today. By identifying portions or entire public spaces that are unused, transitions to native landscapes shall be prioritized as part of a comprehensive park naturalization process.

This approach is highlighted within the Chevy Commons Greening Project that incorporates both active and passive landscapes with non-traditional greening processes, ultimately reducing long term maintenance costs while providing benefits to infrastructure systems through new green and blue infrastructure methods

City of Flint Parks Millage

The parks millage, which ends in 2016, is the only dedicated source of funding for City parks and open space. Maintaining our extensive network of parks is costly and the revenue brought in by our millage has been on a steady decline due to decreased property values. In

2015, the parks millage only generated \$312,000 of which 90% was spent the most basic of mowing services and utilities. Staffing in parks has also been vastly decreased. In 2008 the City had the equivalent of 65 full time positions. In 2015 it had less than one full time position shared by four staffers. Renewing the parks millage in 2016 and finding additional long term funding is necessary as the parks millage alone is not sufficient to our needs. Despite budget constraints, the City continues to aggressively pursue grant funding to supplement the millage.

Parks & Open Space – 2015 CIP Progress

Over the past year, the City has made great progress on major capital projects. In all, 8 projects have been completed totaling \$575,000 in capital upgrades during 2015. Additionally, 7 projects worth \$1.24 million remain in progress.

The following list details the significant projects and investment made towards improving Flint's infrastructure. A full list of the projects can be found on the project spreadsheet listed within this chapter.

Brennan Park Improvements
A \$55,000 community-build project that to improve the playground.

Riverbank Park Development
A \$500,000 phased improvement project that will increase access to the park, complete with a new ADA ramp.

Max Brandon Park Eco-Park
A \$137,500 project to naturalize parts of Max Brandon Park while incorporating community engagement through interpretative signage

Environmental Features, Open Spaces & Parks Policy

The following environmental features, open space, and parks policies are derived from the Master Plan and should shape all projects moving forward. These policies should provide a frame- work for *evaluating the merits of any capital improvement project*. For detailed discussion of each policy, please refer to the Master Plan section and the page referenced.

Flint River revitalization.

One of the defining projects in the revitalization of Flint should be transforming the Flint River and its riverfront into a clean and appealing recreational and entertainment destination. Projects should include increased waterfront park space, re-design of Riverbank Park, increased connectivity to Downtown and neighborhoods, and better utilization of University Pavilion.

Master Plan reference Flint River, pp 150-151; Flint River & Water- front, pp. 220.

River greenbelt.

Vacant land adjacent to the Flint River should be assembled for "blue/green infrastructure" that can both absorb rainwater and provide additional natural spaces for residents.

Master Plan reference Greenbelt (Blue/Green Infrastructure), pp 151-152

Water quality.

The Flint River, Thread Lake, Kearsley Reservoir, Flint Park Lake, and other waterways should be protected from pollution and contamination.

Master Plan reference Water Quality, p 150

Park access.

All residents should have reasonable access to safe

and attractive parks and natural areas, including having a neighborhood park within ½ mile of their home and a larger park within 1 mile. All park improvements should be ADA compliant.

Master Plan reference Park Standards, p. 156

Operation & maintenance.

Operational & maintenance Partnerships for shared responsibility for each of the City's parks should be dictated by the number of park users, with small local parks maintained by neighborhood groups and large regional parks transferred to state, county, or regional control. All parks would remain under the oversight of the City of Flint and a Parks Advisory Board comprised of residents and stakeholder

Master Plan reference Park Maintenance, p 158.

Park Partners and Partnerships.

Park partners, who currently work in over 40 of Flint's 68 parks, have also contributed to capital improvements at Max Brandon, Flint Park Lake, Hardenbrook, Longway, Mott, Sarginson, and Bassett parks.

Master Plan reference Park Partners, 158

Naturalization.

The transition of under-utilized parkland from manicured turf or fields to native vegetation represents an opportunity to increase park beauty and reduce maintenance costs.

Master Plan reference. Naturalization, pp. 160-161.

ENVIRONMENTAL FEATURES, OPEN SPACE & PARKS CAPITAL IMPROVEMENT PLAN

The City of Flint Parks and Recreation Master Plan 2013-2017 was adopted in late 2012, which includes additional information about the park system. Maintenance of a current park master plan is a requirement for eligibility of numerous grant programs and the City is urged to keep this plan updated. The City has been very successful at obtaining various grants to make improvements and, given the budget issues of the City, continued grant acquisition will be needed to make any improvements of significance.

Recommendations of the park master plan should be reviewed in concert with Master Plan recommendations to ensure that the distribution of park funding is equitable, serving populations in need, and strategic investments in parks and community centers serve to stabilize neighborhoods

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
McKinley Park Improvements The City was awarded a Natural Resources Trust Fund grant from MDNR to make improvements to McKinley Park, which is located on Thread Lake. Grant to be matched by donations. Project will include tennis court renovations, improved waterfront access, new playground equipment and accessibility improvements, pavilion and overlook construction, parking improvements, and related items.	1 – URGENT Grant Funds Secured	\$300,000	\$0	\$300,000
Riverbank Park Improvements Make upgrades to meet ADA standards, barrier-free access to amphitheater stage including new railings, landscaping enhancements, and kayak access to river. This project is funded by a grant from the Michigan DNR.	1 – URGENT Grant Funds Secured	\$500,000	\$0	\$500,000
Brennan Park Improvements Improvements to the park and playground equipment.	1 – URGENT Grant Funds	\$55,000	\$15,000	\$40,000
Bassett Park Master Plan CIP Improvements consistent with the park master plan developed in 2012, including filling the side yard, construct storage shed and concrete slab, improve tennis courts and ball diamonds, improve playground, and add mulch to trails.	2 – IMPORTANT	\$124,000	\$15,000	\$110,000
Hardenbrook Park Master Plan CIP Improvements consistent with the park master plan developed in 2013, including pavilion repairs, installation of a new pavilion, benches, picnic tables and grills, landscaping, and new playground equipment.	2 – IMPORTANT	\$87,000	\$0	\$87,000
Longway Park Improvements CIP Developed in early 2016 through the Adopt-a-Park program, project includes removal of hazardous equipment, new play scape, improvements to the soccer/rugby fields, picnic area, and wooded area.	3 – DESIRABLE	\$55,000	\$0	\$55,000

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Mott Park Improvements CIP Project includes removal of hazardous equipment, new play equipment, improvements to the street hockey court, picnic area, and brush removal area.	3 – DESIRABLE	\$60,000	\$0	\$60,000
Sarginson Park Improvements CIP Project includes removal of hazardous equipment, new ball field, bleachers, and improved picnic area.	3 – DESIRABLE	\$65,000	\$0	\$65,000
Kearsley Park Softball Field Improvements Improvements to the Kearsley Park softball field, which Mott intends to use for their women's softball team. Improvements include the installation of evening lighting, dugouts, bleachers, scoreboard, fencing, and the construction of a concession stand/clubhouse.	COMPLETED	\$195,000	\$0	\$195,000
Durant Park Master Plan CIP Improvements consistent with the park master plan developed in 2012, including basketball upgrades, playground equipment, sidewalk improvements, tree removal, and mower purchase.	COMPLETED	\$54,339	\$0	\$54,339
Mann Hall Park Master Plan CIP Improvements consistent with the park master plan developed in 2012, including new playground equipment, flag pole, concrete pavilion pad, playground safety surfacing, benches, and landscaping.	COMPLETED	\$84,021	\$0	\$84,021
Max Brandon Park Playground Improvements A new playground added. Completed by the County.	COMPLETED	\$60,000	\$0	\$60,000
Flint Park Lake Playground Improvements A new playground added. Completed by the County.	COMPLETED	\$50,000	\$0	\$50,000
Rollingwood Park Master Plan CIP Improvements include playground equipment, baseball infield and benches, horseshoe pits, flagpole lighting, fishing dock, scoreboard, bleachers, and lights.	COMPLETED	\$79,100	\$79,100	\$0
Woodlawn Park Master Plan CIP Improvements include a shade structure, play equipment, shade trees, and repair tennis court.	COMPLETED	\$43,200	\$43,200	\$0
Bassett Park Maintenance Partnership Crim Fitness Foundation will take on maintenance and operations oversight in Bassett Park for FY 2015 under a two-year partnership agreement beginning in FY 2014.	REMOVED			

ENVIRONMENTAL FEATURES, OPEN SPACE & PARKS CAPITAL IMPROVEMENT PLAN

Naturalization

Naturalization is the transition of parkland from manicured turf or fields to native vegetation. There are many benefits to naturalizing part of Flint's park inventory including a reduction in operating expenses, the creation of a healthier environment through increased local biodiversity, and improved storm-water management.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Park Naturalization Plan Develop a Park Naturalization Plan to identify and prioritize City- owned parks for naturalization and reduced maintenance.	2 – IMPORTANT	TBD	TBD	TBD
Max Brandon Park - Park Naturalization/Education Project Project to promote naturalization within Max Brandon Park through eco-educational curriculum, restoration of the park's wetland, increased access through construction of a boardwalk, and hazardous tree removal.	1 – URGENT Grant Funds Secured	\$137,500	\$50,000	\$87,500
Park Forestry Management The City has secured the services of Genesee Conservation District to manage tree removal within the City's network of parks for FY 2015. Using trained forestry staff, and informed by a street and park tree inventory that is currently underway, GCD will ensure that the City's limited forestry funds will be used in a manner that is both equitable and efficient.	1 – URGENT	\$10,000	\$10,000	\$0
Park Maintenance Partnership Genesee County and City of Flint partnership in which the County will take on maintenance and safety patrols in four of Flint's largest parks under a pilot program. 5-year cost.	1 – URGENT	\$100,000	\$100,000	\$0
Park Naturalization Project - Tree Plantings The City is interested in working with Fresh Coast Capital in inactive and underutilized parkland to farm poplar trees. FCC would maintain the property for 15 - 18 years at no cost to the city and share 10% of sale revenue. Parkland would remain open to the public and educational signage would be installed.	3- DESIRABLE	TBD	\$0	TBD

Open Space Brownfield Remediation

Brownfields are parcels of land where the presence of environmental contamination complicates redevelopment. In addition to redeveloping brownfields for economic development and community revitalization purposes, there is a rising interest among communities to redevelop brownfields as environmental assets for active and passive recreation.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Oak Park decommissioning Located in an inaccessible area surrounded on three sides by the Buick City brownfield site, this park is proposed to be decommissioned and integrated into the redevelopment plans of the area.	3 – DESIRABLE	\$0	\$0	\$0
Chevy Commons Greening Project Phase III of remediation of Chevy Commons into an active/passive public open space.	1 – URGENT Grant Funds Secured	\$200,000	\$0	\$200,000
Chevy Commons phytoremediation Phase III Phase III of remediation of Chevy Commons, funding is Great Lakes Restoration Initiative grant.	1 – URGENT Grant Funds Secured	\$200,000	\$0	\$200,000

Flint River Restoration

As a prime natural resource, the Flint River served as the basis for the founding of the City of Flint. Historically, the Flint River was used for drinking water, power, and transportation. Currently, the river is utilized much less, in part due to water quality and infrastructure concerns. In order for the City to successfully achieve its goal related to environmental features and open space, revitalization and enhancement of the Flint River must be a major focal point.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Flint River Restoration Plan - Season 3 Implementation of the 2010 report "Flint Riverfront Restoration Plan".	3 – DESIRABLE	\$5,300,000	\$5,300,000	\$0
Flint River Restoration Plan - Season 2 Implementation of the 2010 report "Flint Riverfront Restoration Plan".	3 – DESIRABLE	\$6,700,000	\$6,700,000	\$0
Flint River Restoration Plan - Season 1 Implementation of the 2010 report "Flint Riverfront Restoration Plan".	3 – DESIRABLE	\$7,100,000	\$7,100,000	\$0
Flint River Restoration Plan - Future Projects Implementation of the 2010 report "Flint Riverfront Restoration Plan".	3 – DESIRABLE	\$40,000,000	\$40,000,000	\$0



6 CAPITAL IMPROVEMENT PLAN

INFRASTRUCTURE & COMMUNITY FACILITIES

In 1960, 197,000 people lived in Flint, and the community was bracing for rapid growth around its core industries. Infrastructure was in place to support over 200,000 people. Flint's population has dropped by 48% since that time, yet the City is still responsible for maintaining infrastructure systems capable of servicing its peak population.

Chapter 6 in the Master Plan considers ways to tailor infrastructure and services to suit local population centers and anticipated long-term development patterns.

The Master Plan establishes a coordinated vision for Flint's government facilities, infrastructure, and utilities where infrastructure and services are closely coordinated with housing, economic development, the environment, parks and open space, and

transportation, as well as a community that is fiscally responsible and able to support these systems in a fair and equitable way.

This chapter represents perhaps the most substantial capital challenges to the City and consists of the highest cost items. Given the many unknowns at this time of the water infrastructure, this chapter was developed and formatted to be adaptable and flexible dependent upon further data collection and analysis that will occur extensively throughout the FY16-17 year. The attempts at project costs and timeline will fluctuate throughout the year, dependent on the emergency situation that currently exist in the City.

The City's Capital Improvement Program includes a series of projects or improvements related to facilities and infrastructure. It identifies

specific actions to be completed, and considers anticipated costs, phasing and funding sources. The Master Plan should be referenced as a guide that provides context for specific decisions and priorities identified in the CIP, specifically considering:

- The potential future benefit of certain actions. These may include long-term cost savings, environmental benefits, increased mobility to important services, and social equity, among others.
- The relative need for specific investments. Some projects may be critical to the health safety, and welfare of the Flint community, despite also being expensive. These should be considered more immediate action as they may protect other investments in public

systems or private development.

- The anticipated impact in achieving other community goals. Investment in infrastructure or municipal services is often critical to successful economic development, the advancement of arts and culture, or healthy transportation options. These are all goals that provide positive returns back to the Flint community.
- Complementary non municipal resources. While the CIP reflects the City's intended investment in certain projects, the City should consider funding partners who may make specific actions more attainable in the short-term. This may influence the phasing or priority of some projects and allow the City to attain its vision more quickly.

CIP Vision for Infrastructure & Community Facilities

Imagine an efficient and reliable system of infrastructure and community services that ensures the safety of the Flint community meets the needs of residents and supports investment in businesses, innovation, and the local economy. Imagine a Flint that serves its residents through an effective local government and quality facilities. Imagine a Flint that invests in infrastructure in order to spark new development, restore the environmental integrity of the area, meet the needs of various activities throughout the City, and is not only capable, but is also dependable.

CIP Overview

The City has an overwhelming task of addressing its numerous dated facilities and the tremendous amounts of inefficient and aging water and sewer possessions. Immediate improvements to the water and sewer system should be prioritized so they address the areas contributing to the most substantial water losses within the city.

In concert with the land use plan areas identified as primary residential and business and economic hubs, improvements should be prioritized to meet the needs of the business community while ensuring quality services for Flint's tax-paying residents. Future capital improvements in place types with lower densities should have a lower priority in order to ensure the highest cost/benefit ratio.

Immediate actions should also be taken to right-size the facilities within the city. Substantial decline in staffing levels as well as decades of inadequate preventative maintenance has resulted in millions of dollars needed to just improve these public places to satisfactory levels. A study shall be conducted to look at alternatives for major sites such as City Hall and the Police and Fire headquarters, while also considering the disposition of the buildings to be vacated and sold.

Infrastructure & Facilities – 2015 CIP Progress

It's important to document and detail the tremendous amount of work being done by the City over the past year. In all, there were 13 major projects completed, totaling \$4.25 million in capital upgrades. Also, an additional 8 remain in progress. The completion of these will result in an additional \$12.3 million in City-led upgrades to its systems.

The following list details the significant projects and investment made towards improving Flint's infrastructure. A full list of the projects can be found on the project spreadsheet listed within this chapter.

Bio solids Load Out Facility

Construction of a bio solids load out facility at the WPC center.

Valve Exercising

Approximately 1,430 valves were exercised throughout the system

Roof Replacements

Plant 2 lab and operations center was treated with a new

roof

City Hall Campus LED Lights

Installation of energy efficient LED lights around City Hall.

IT/IS Upgrades

\$639,415 was spent in 2015 Fiscal Year. Activities included maintenance for dell desktop workstations, routers, and BS&A Software, and Microsoft software. Some activities that were not completed include Backup servers, new routers, and a much needed phone system upgrade Overall \$220,000 in improvements was not completed.

Infrastructure & Community Facilities Policy

The infrastructure and community facilities policies are derived from the Master Plan and should shape all projects moving forward. These policies should provide a framework for evaluating the merits of any capital improvement project. For detailed discussion of each policy, please refer to the Master Plan section and the page referenced.

Infrastructure & Land Use Plan alignment.

The provision of infrastructure and community services throughout the City should be aligned with the Land Use Plan, with land use typologies informing "right-sizing" and investment decisions.

Master Plan reference

Infrastructure & Future Land Use, pp 175-176

Sustainability.

Green technology should be leveraged to reduce energy costs, improve air quality, and increase long-term sustainability. While

sustainable approaches to infrastructure improvements may require additional up-front costs, long term cost savings should be considered when evaluating project costs

Master Plan reference:

Sustainable & Renewable Infrastructure, p 177.

Facility maintenance & efficiency upgrades.

To ensure the long-term viability of City facilities, the City should conduct on-going maintenance, employ new technologies, increase energy efficiency, and identify consolidation opportunities.

Master Plan reference:

Government Facilities, p. 178.

Dams.

The Hamilton and Utah Dams should be removed, the Fabri Dam should be reconstructed, the Kearsley Dam should receive maintenance, the need for the Holloway Dam should be assessed, and a fish passage should be constructed at Thread Dam.

Master Plan reference:

Dams, p 186

Sanitary & storm sewer system.

Sewer systems should receive necessary ongoing maintenance as recommended by staff and engineers, and short- term upgrades and long-term capital improvements including investments in green infrastructure should be identified, planned, and budgeted for

Master Plan reference:

Sanitary Sewer System, p 185

INFRASTRUCTURE & COMMUNITY FACILITIES CAPITAL IMPROVEMENT PLAN

City Hall

Flint's administrative center consists of a number of buildings, including City Hall, City Hall North, City Hall South, and City Hall Dome, which collectively total more than 187,000 square feet. According to City Facilities, Grounds, & Maintenance Division staff, the condition of these buildings ranges from poor to fair. Constructed in 1956, these four buildings house a majority of Flint's governmental operations and are in need of extensive upgrades, repairs, system replacement, and maintenance. Significant reductions (well over 50% from historic levels) in staffing at departments housed at the City Hall complex has resulted in significant portions of the buildings being unused or used for storage

The list of necessary capital improvements for the four City Hall buildings is only a portion of what is likely needed, and there are serious questions as to the long-term viability of the buildings considering their age, condition, and cost of corrections needed. The City should consider a study of alternative options for right-sizing their facilities to meet projected staffing needs, either in a renovated facility that is purchased or leased or a new facility constructed in the downtown area. The study could also look at partnerships with the County for a combined City-County Government Complex. The study would also need to consider the disposition of the existing complex and buildings to be vacated if the study shows this to be the most viable option.

The administrative center complex at one time was considered to be an architectural masterpiece; but due to outdated components, lack of maintenance and energy inefficiencies the buildings require extensive emergency repairs and extensive maintenance has been deferred due to budgetary constraints. City Hall north is essentially vacant due to staff reductions and a leaking roof. The existing windows in all buildings are single pane, aluminum frame and highly inefficient, as are the light fixtures inside and outside the buildings. The boilers and chillers are 80% efficient at best and in need of replacement soon. The marble on the façade, once a major contributor to the beauty of the building, suffers from water intrusions that have caused these large marble slabs to fall off the building. Significant information technology improvements are needed throughout to modernize computer servers, other hardware, and cabling. The elevators at City Hall break down regularly and create a safety hazard to users trapped inside until repairs can be made. The pavement in the parking lot used by employees is in very poor condition. Sidewalks are in various states of disrepair and in need of replacement.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Study to determine options for housing City Hall staff Commission a comprehensive study of the Civic Center Complex to determine best option to right-size in the most cost-effective manner. City should enlist a committee to develop a comprehensive scope of services for a Request for Proposals that includes budget to adequately investigate the existing facilities and options and costs available to house City operations long-term.	1 – URGENT	TDB	TDB	TDB
City Hall Dome drains Repair roof drains at the City Hall Dome to fix leaks.	1 – URGENT	\$1,640	\$1,640	\$0
City Hall North Building Roof Repairs to the roof on the City Hall North Building to fix areas that currently	1 – URGENT	\$99,384	\$99,384	\$0
City Hall chiller Replace 1 of 2 chillers at City Hall.	1 – URGENT	\$155,000	\$155,000	\$0
Emergency repairs Annual cost of \$225,000 for emergency repairs to various City facilities.	1 – URGENT	\$4,500,000	\$4,500,000	\$0

INFRASTRUCTURE & COMMUNITY FACILITIES CAPITAL IMPROVEMENT PLAN

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Walkway between Police and City Hall Repair and seal walkway between Police Station and City Hall.	2 – IMPORTANT	\$20,000	\$20,000	\$0
City Hall Dome repairs Various maintenance and repairs to the City Hall Dome.	2 – IMPORTANT	\$90,000	\$90,000	\$0
Window replacement Replacement of single pane, aluminum frame windows in City Hall. Energy Analysis Report identified payback of 15 years in energy savings.	2 – IMPORTANT	\$400,000	\$400,000	\$0
City Hall façade Remove existing and replacement of the façade of City Hall. Existing marble siding is falling off the building and is a safety hazard. Gaps behind the marble allow water intrusions, exacerbating the problem.	2 – IMPORTANT	\$3,000,000	\$3,000,000	\$0
City Hall heating/cooling system Total replacement and upgrades of controls and boilers/chillers to the City Hall heating/cooling system.	2 – IMPORTANT	\$3,300,000	\$3,300,000	\$0
Separate utility meters Separate the utility meter for City Hall, Police HQ, and Fire Station #1 to monitor energy use.	3 – DESIRABLE	\$24,000	\$24,000	\$0
City Hall 7th Street parking lot Rehabilitation of parking lot at City Hall.	3 – DESIRABLE	\$100,000	\$100,000	\$0
City Hall 5th Street parking lot Rehabilitation of parking lot at City Hall.	3 – DESIRABLE	\$132,000	\$132,000	\$0
Information technology improvements Includes a variety of IT improvements, including backup servers, new Dell workstations, routers and switches, software, cabling and fiber, etc. Long-term needs should be assessed to prioritize and fund projects.	3 – DESIRABLE	\$3,730,246	\$3,730,246	\$0
Building Management System Upgrades to the BMS controls are on-going.	2 – IMPORTANT	\$148,000	\$148,000	\$0
Council Chambers light fixtures Convert existing light fixtures to LED to save energy costs.	2 – IMPORTANT	\$24,000	\$24,000	\$0
City Hall Ceilings Replacement of ceiling tiles throughout City Hall. Improvements to multiple offices have been completed.	3 – DESIRABLE	\$70,000	\$70,000	\$0
Council Chambers renovations Renovations to Council Chambers to include windows, painting, and ceiling, and IT upgrades to add projection screens.	3 – DESIRABLE	\$350,000	\$350,000	\$0
City Hall Elevator Removal and installation of two new efficient elevators at City Hall	2- IMPORTANT	\$400,000	\$400,000	\$0
South City Hall Building bridge Bridge connecting the South City Hall Building to 7 th Street is closed and	COMPLETED	\$30,000	\$30,000	\$0

INFRASTRUCTURE & COMMUNITY FACILITIES CAPITAL IMPROVEMENT PLAN

Other City Facilities

City facilities outside of the City Hall complex, public safety departments, and public works are limited. The primary facilities in this category would include the Street Maintenance & Sanitation Department, public parking lots, District Court, and anything else that does not fit into another category or department. All of these facilities have needs for various maintenance, etc. and should be considered to generally be important to fund as soon as possible. A number of projects were identified during discussion with City staff and are presented below; however, a comprehensive evaluation of the Street Maintenance & Sanitation Department facility has not been performed and is needed to ensure all projects are accounted for.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Street Maintenance & Sanitation Department facility improvements Various capital improvements needed at the facility that would be identified following a comprehensive audit of the facility.	2 – IMPORTANT	TDB	TDB	TDB
12th Street garage roof repairs Repairs to the garage used to service the City fleet vehicles (located at the Street Maintenance & Sanitation Department facility).	COMPLETED	\$266,900	\$266,900	\$0
Parking lot lighting New lighting for the Stevens Street/7 th Street/City Hall/Police Station parking lot to improve safety, lot is currently not lit.	COMPLETED	\$250,000	\$250,000	\$0
District Court improvements Repairs, maintenance, etc. at the District Court building and grounds that are the responsibility of the City per the lease agreement with Genesee County (the owner of the building).	REMOVED	\$125,000	\$125,000	\$0

INFRASTRUCTURE & COMMUNITY FACILITIES CAPITAL IMPROVEMENT PLAN

Water Department

The Water Department is responsible for the treatment and distribution of potable water to customers utilizing an extensive infrastructure system. Their facilities include six (6) dams, numerous buildings and related facilities, pumping stations and storage facilities, and conveyance system of approximately 600 miles of water distribution and transmission pipes and appurtenances. The existing City water system was designed to service a much larger population and significantly more industry than is currently being served.

The various facilities of the Water Department have been grouped below to allow for an individual discussion of each. The current water system has twice the storage and pumping capacity that is needed to operate the system. A number of options to reduce pumping and storage were identified in a Water Reliability Study (prepared by Rowe and Potter Consulting in 2011). Implementing these operational changes going forward will allow the city to operate more cost effectively and concentrate on upgrading and maintaining key infrastructure.

It is important to note that the City's water system suffers from a number of problems which can be at least partially corrected by making the necessary capital improvements, which should be prioritized and done to be consistent with the implementation of the Master Plan and modified as needed. The most prevalent problems were discussed in great detail in the Water Reliability Study, including the age and efficiency of the water system. Much of the water distribution system is over 70 years old and is in need of rehabilitation or replacement. There is a significant amount of water-main in the system that is over 70 years old, prone to breaks, and unable to provide modern pressures and fire flows.

Water system efficiency analysis indicated that the City of Flint system is at 68.41% (i.e., only 68.41% of the water that was purchased from Detroit was recovered by user fees). This indicates that the city has significant leaks, inaccurate meters and/or illegal connections to the system. This inefficiency results in lost revenue in the range of \$1.5 million to \$2.0 million dollars per year. A program to improve the water system efficiency should be put in place. A high priority should be placed on implementing a program to reduce the unaccounted for water.

INFRASTRUCTURE & COMMUNITY FACILITIES CAPITAL IMPROVEMENT PLAN

Dams

The six dams owned and operated by the City are critical to the water supply system of the City, as well as providing various recreational opportunities. This is even more important currently as the City is dependent on the Flint River as an emergency back-up source to supply water to its customers. Various studies have been done on the dams to determine their condition and future plans for either replacement or removal. Improvements to Hamilton Dam, built in 1920, have been mandated by the state due to its poor condition and deteriorating structural deficiencies. A study was completed by the City in 2008 that evaluated various options. Hamilton Dam is located just upstream from Fabri Dam. Fabri Dam is an inflatable dam in the downtown area constructed in 1979 for visual and recreational enhancement. The 2008 study reviewed options for its removal.

Utah Dam was built in 1928 to prevent industrial oil discharges from entering the City's water intakes and is located downstream from both Holloway Reservoir and Kearsley Creek. Utah Dam serves no viable purpose and the gates are permanently locked in an open position. Utah Dam has been recommended for removal. Holloway Dam was constructed in 1953 for potable water supply and flow augmentation of wastewater effluent. The Holloway Reservoir serves as emergency back-up supply of water, with a storage capacity of 17,500 acre-feet of water, and is the structure furthest upstream in the system. Kearsley Dam, constructed in 1928 for water and ice supply, has a storage capacity of 1,800 acre-feet and is used primarily for recreation and occasional flow augmentation. Kearsley Creek joins the Flint River a short distance downstream from the dam just upstream from Utah Dam.

Thread Dam, also built in 1928, impounds 80 acres of water on Thread Creek, providing recreational opportunities. Thread Creek joins Swartz Creek west of the lake, with Swartz Creek flowing into the Flint River downstream of the other five dams. Capital projects on the six dams that require expenditures of City funds should be kept to the minimum needed to prevent further degradation of the dams and to meet regulatory requirements until such time as higher priority projects in the City have been completed. In accordance with the Flint River Restoration Plan, dams that can be removed should be considered for removal and funding sought from various sources that promote dam removal for river restoration and removal of barriers for boating and fish movement.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Thread Dam Improvements Replace dam.	1 – URGENT	\$655,600	\$655,600	\$0
Hamilton Dam Removal Removal of the Hamilton Dam.	1 – URGENT	\$3,500,000	\$1,060,000	\$2,500,000
Holloway Dam Drum Gate Rehabilitation	2 – IMPORTANT	\$1,600,000	\$1,600,000	\$0
City-Wide Dam Inspection & Maintenance Plan Develop a comprehensive plan to address the City's six failing and/or obsolete dams along the Flint River.	3 – DESIRABLE	\$0	\$0	\$0

INFRASTRUCTURE & COMMUNITY FACILITIES CAPITAL IMPROVEMENT PLAN

Buildings & Related Facilities

The Water Department has a number of buildings and related facilities for which they are responsible. The most significant is the Water Treatment Plant (WTP) located at 4500 N. Dort Highway, which includes Plant 2 (Plant 1 has been decommissioned), water testing laboratory, and a number of smaller facilities. The WTP was put into service in 1954 and significant upgrades were completed in 2006 to meet state regulatory requirements. The WTP operated an average of 20 days per year previously since water from Detroit was treated but the plant will be operated on a continual basis. A significant number of upgrades, replacement of equipment, and regular maintenance are required for the WTP to properly take in raw water, treat it through the entire process, and transmit treated water to the conveyance system. In addition to the facilities at the WTP, the Water Department is also responsible for the Water Service Center (located at 3310 E. Court Street) and the Water Department has a need for a variety of large vehicles and other equipment.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Electrical upgrades Electrical upgrades at various facilities.	1 – URGENT	\$1,167,100	\$1,167,100	\$0
Fencing Water plant security fencing.	1 – URGENT	\$109,300	\$109,300	\$0
Alum feed system Alum feed system for water treatment process. Project will be complete in 2016. Project was tied to KWA.	REMOVED	\$39,300	\$39,300	\$0
Phosphoric acid feed system - Partially Complete Phosphoric acid feed system for water treatment. Temporary feed system set up, long term system for KWA system needs to be established.	REMOVED	\$185,800	\$185,800	\$0
Post filtration system Post filtration system for water treatment process.	REMOVED	\$387,200	\$387,200	\$0
Vehicles dump trucks, flatbed, tractor, etc. Annual cost for 6 years.	REMOVED	\$13,631,400	\$13,631,400	\$0
SCADA upgrades - In Progress Upgrades of Supervisory Control and Data Acquisition (SCADA) to allow system to operate more efficiently and with lower labor costs by using SCADA to operate and analyze the water system and its operation.	1 – URGENT	\$836,400	\$836,400	\$0
Security cameras - (2 installed, need 3 more) Install security cameras at water treatment plant.	1 – URGENT	\$7,000	\$7,000	\$0
Roof replacements - Partially complete At various pump stations throughout the system. West Side reservoir & pump station complete. Cedar Street reservoir & pump station and Torrey Rd. booster station still needed.	1 – URGENT	\$500,000	\$500,000	\$0
Water Plant rehabilitation - In Progress Rehabilitation of Phase II, Segment I.	2 – IMPORTANT	\$1,030,000	\$1,030,000	\$0
Roof replacement - Complete Plant 2 lab and operations center.	COMPLETED	\$257,500	\$257,500	\$0

INFRASTRUCTURE & COMMUNITY FACILITIES CAPITAL IMPROVEMENT PLAN

Pumping Stations & Storage Facilities

The Water Department operates several pumping and water storage facilities.

- **Dort Reservoir and Pumping Stations No. 3. (PS #3) and No. 4 (PS #4)** – located at the WTP, the reservoir is a 20-million gallon (MG) ground storage facility. This facility was constructed in 1966 and is used primarily for emergency water storage and for use during peak water demand periods. PS #4 total pumping capacities is 46 million gallons per day (MGD) with a firm pumping capacity of 26 MGD. The pumping station was rehabilitated in 1994 with two new 20 MGD pumps and one 6 MGD pump to induce turnover of the Dort Reservoir. This pumping station is primarily used to provide supply from the Dort Reservoir during emergency situations and peak demand events. A 2.0 MG elevated water storage tank is also located at the WTP that is used primarily for emergency water storage and as a pressure buffer. The elevated tank fills and drains as system demands and pressures dictate. A 3.0 MG ground storage tank is also located at the WTP complex. This storage tank was constructed in 1954 and is used primarily as an emergency water supply and pumping source during peak demand events.
- **Cedar Street Reservoir and Pumping Station** – the Cedar Street Reservoir is a 20 MG ground storage facility located between 1-69 and Swartz Creek, off of Cedar Street. This facility was constructed in 1948 and is primarily used as an emergency water supply and a pumping source during peak demand events. The pumping station electrical controls have not been updated since the original construction. The station requires significant upgrades to bring it up to current automatic operation standards. The pumping station is equipped with three pumps installed in 1948 and are primarily used to supply water from the Cedar Street reservoir during emergency events and peak demand periods. This pumping facility has a total pumping capacity of 30 MGD and a firm pump capacity of 18 MGD. Pump operation and filling of the reservoir can be controlled from the WTP or manually at the pumping station. The pumping station is equipped with chlorination facilities to provide additional chlorine residual as needed.
- **West Side Reservoir and Pumping Station** – the West Side Reservoir is a 12 MG ground storage facility located near Mackin Road and Jean Avenue. This facility was constructed in 1970 and is primarily used as an emergency water supply and a pumping source during peak demand events. The West Side Pumping Station is equipped with four pumps, all installed in 1970, and has a total pumping capacity 24 MGD with a firm pump capacity of 16 MGD. Pump operation and filling of the reservoir can be controlled from the WTP or manually at the pumping station. The pumping station is equipped with chlorination facilities to provide additional chlorine residual as needed.
- **Torrey Road Pumping Station** – the Torrey Road pumping station is equipped with two pumps installed in 1954. The station has a total pump capacity of 6.8 MGD and a firm pump capacity of 2.8 MGD. The primary function of this station is as an in-line booster pumping station to provide increase pressures to the southwest portion of the city. This pumping station takes suction from the 24" transmission main along Hammerburg Road and discharges to the 18" transmission main supplying the southwest pressure district. There is no standby power provided to this pumping station.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Pump replacement Pump station #3 pump with variable frequency drive (VFD).	1 – URGENT	\$140,000	\$140,000	\$0
Electrical upgrades New feeder to pump station 4	1 – URGENT	\$466,600	\$466,600	\$0
Valve rebuild Elevated tank altitude valve.	2 – IMPORTANT	\$54,600	\$54,600	\$0
Pump replacement Replace pumps 1 and 2 at pump station #4 new pumps with VFD. Pump # 2 has been replaced. Pump # 1 still needed	1 – URGENT	\$270,000	\$270,000	\$0
Electrical upgrades At Cedar Street Pump Station.	COMPLETED	\$120,000	\$120,000	\$0
Roof replacement Westside pump station.	COMPLETED	\$1,200,000	\$1,200,000	\$0
Lift pump station Plant 2 to Dort Reservoir.	REMOVED	\$2,100,000	\$2,100,000	\$0

INFRASTRUCTURE & COMMUNITY FACILITIES CAPITAL IMPROVEMENT PLAN

Conveyance Systems & Appurtenances

The conveyance system of the Water Department includes all transmission and distribution pipes, valves, hydrants, and water meters. The conveyance system of the City of Flint consists of water mains ranging in size from 4" to 72" in diameter. Many of these mains exceed 70 years old, and the majority constructed of cast iron or ductile iron pipe up to 24" in diameter. Transmission mains larger than 24" are primarily constructed of steel piping. A majority of the system has adequate transmission piping to convey sufficient flows and pressure for fire protection. However, the distribution and transmission systems are old and in serious need of replacement. A large number of water main breaks occur every year and are repaired by staff, with a significant number of breaks occurring due to the harsh 2013-14 winter season. These breaks result in water service disruptions and potential water quality problems to customers. The system appurtenances are generally over 50 years old and in constant need of repair or replacement also.

As projects are considered, opportunities should be evaluated to right size the water distribution system and make the most effective and efficient use of existing infrastructure. In accordance with the Master Plan, infrastructure may be modified to provide the level of service appropriate for a given place type.

The information below is summarized directly from the Water Reliability Study

- **Piping System.** Much of the City of Flint's water distribution system is over 70 years old and is in need of rehabilitation or replacement. There is a significant amount of 4" water main in the system that is over 70 years old, prone to water main breaks, and unable to provide modern pressures and fire flows. The 20-year plan for the water distribution system is twofold: 1) rehabilitate or replace the primary transmission system that serves the City and 2) abandon 4" water mains where there is a suitable parallel main or replace the 4" with 8". The priority of these replacements should be consistent with the needs of the Master Plan implementation. The Water Department has also included replacement of 3,800 feet of transmission mains annually, the prioritization of which should consider severity of current problems, needs for implementation of the Master Plan, and ability to service high water users adequately.
- **Valves** The City of Flint distribution system currently has a total valve count of 7,258 valves to be operated and maintained (20 72" valves, 661 24"-72", 737 16"-20", 1,398 12", and 4,462 <12"). Critical valves are 16" and larger valves that are on the primary transmission mains around the city and in the event of a break in a major transmission main, valve failure, or multiple valve failures, could result in shutting down a significant portion of the city. The Water Reliability Study noted that there are 1,418 critical valves in the system and these valves should receive primary attention. Primary attention would consist of operating the valves on a rotating two-year basis and making all repairs and replacements that are necessary. Approximately 700 critical valves would be operated and maintained each year. Subcritical valves are the 12" valves on minor transmission mains and the failure of one or more of these valves could result in shutting down a residential area. There are 1,398 subcritical valves in the system. These valves should receive secondary attention which would consist of a 5-year plan for operation and maintenance. This would require that approximately 280 valves be operated and maintained each year. Normal valves are any valve smaller than 12" and the failure of one or more of these valves would shut down a small residential area. There are 4,462 of these valves in the system and these valves should receive operation and maintenance attention on a 10-year rotating basis. Approximately 450 valves would require attention each year. The total valve operation and maintenance program would require that approximately 1,430 valves receive routine maintenance each year in addition to any emergency repair and replacement that is required during the course of a year.
- **Hydrants.** The City of Flint has 3,605 hydrants in the water system and many are in excess of 50 years old. In the spring of 2010 the City purchased 80 hydrants to begin replacing old hydrants. Similar to the asset management approach to the valve maintenance, the plan for hydrants would include a transition from reactive maintenance to planned maintenance and replacement. The goal would be to analyze the hydrant age in the system and begin to change out hydrants in excess of 50 years old and then over a period of twenty years create a system where hydrant age did not exceed 25 years.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Water line loop Install 24" loop at the WTP to increase distribution options.	2 – IMPORTANT	\$100,000	\$100,000	\$0
Raw water line Provide raw water line to Pump Station 4.	2 – IMPORTANT	\$636,500	\$636,500	\$0
Water Main Replacement Replace various sections of residential water mains with a goal of 3800' per year.	2 - IMPORTANT	\$16,000,000	\$16,000,000	\$0
Yard valves Replace yard valves, cost is for 6 years.	2 – IMPORTANT	\$1,000,000	\$1,000,000	\$0
Water Meters – Partially Complete Annual replacement of water meters throughout the system, cost is for 6 years.	2 – IMPORTANT	\$8,500,000	\$8,500,000	\$0
Valve exercising Operate the approximately 8,000 system valves throughout the system on a 2 - 10 year basis.	2 - IMPORTANT	\$500,000	\$500,000	\$0
Valve Repairs	1 - URGENT	\$200,000	\$200,000	\$0
Valve excavation Gain access to over 600 paved over system valves to evaluate, maintain accessibility, and replace if necessary.	1 - URGENT	\$2,000,000	\$2,000,000	\$0
24" Transmission main replacement 3800' of 24" transmission main at various locations annually. Project is designed in 5 segments with one segment scheduled for completion each year.	1 - URGENT	\$18,000,000	\$18,000,000	\$0
Lead Service Line Replacement Replace lead service lines leading to customer's residence and businesses.	1 - URGENT	TBD	TBD	TBD
Valve exercising Operate the approximately 1,430 valves throughout the system on an annual basis.	COMPLETED	\$400,000	\$400,000	\$0
Hydrant replacement program Replace hydrants throughout the City on 20-25 year rotation, cost is for 20 years. FY 15 cost \$250,000 with	REMOVED	\$6,227,284	\$6,227,284	\$0

Sewer Department

The Sewer Department is responsible for the collection and treatment of wastewater at various facilities, most notably the 50 MGD wastewater treatment plant referred to as the Water Pollution Control Facility (WPCF) located at G-4652 Beecher Road. The City of Flint also accepts wastewater from the Beecher Metropolitan Sewer District (BMSD). The WPCF has a peak capacity of approximately 85 MGD. The City has an extensive sanitary and storm sewer collection and treatment system that includes approximately 569 miles of gravity sanitary sewers and force mains, 11 pump stations (1 additional pump station on the system is operated by BMSD), an 8-foot 6-inch deep tunnel (10 MG of storage), a 10 MG Retention Treatment Basin (RTB), WPCF and a number of associated buildings, and 350 miles of storm sewers.

The WPCF provides primary and secondary treatment to the sanitary wastewater, with primary treatment consisting of physical removal of suspended solids via grit tanks and primary sedimentation basins. Secondary treatment is performed through the activated sludge process, which consists of aeration and final settling tanks. Chlorination and dechlorination, using liquefied and gaseous chlorine and sulfur dioxide, is used to disinfect the final effluent prior to its discharge into the Flint River. Even though the sanitary and storm sewer systems are separated, the 10 MG capacity of the RTB can be exceeded, resulting in a discharge to the river. All overflows receive skimming, settling, and disinfection prior to release. Since January of 2009, the City has experienced 11 partially treated discharges.

The City was awarded a State Revolving Fund (SRF)/Strategic Water Quality Initiatives Fund (S2) Grant from the Michigan Department of Environmental Quality (MDEQ) in 2011 (study prepared by Rowe and Fishbeck, Thompson, Carr, & Huber, Inc. in 2013). The scope of the grant-funded engineering study included smoke testing in areas of the City suspected of containing sources of inflow and infiltration (I/I), as well as a sanitary manhole inspection program focusing on the manholes located along the creeks and rivers where water was suspected of entering the sanitary system during high river elevations. The Sewer System Evaluation Study (SSES) included smoke testing of approximately 2,397 manholes and the inspection of 256 manholes along the rivers. Although the sanitary system is separated, wet weather brings significant flow increases into the system. Most footing drains are connected to the sanitary system; however, during these large rain events, the City's deep tunnel and RTB's capacity can be exceeded, and it results in discharges from the RTB to the Flint River.

Green Infrastructure

The Master Plan calls for the development of green infrastructure to absorb rainwater, reduce flooding, and lessen the burden on the City's sewer infrastructure. The City should also promote the use of Best Management Practice (BMPs) and Low Impact Development (LID) techniques that help protect and restore water quality while reducing the quantity of storm water run-off throughout the City. Vacant or underutilized parcels within Green Neighborhood and Green Innovation place types may also present opportunities for large scale green infrastructure projects.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Green Infrastructure Assessment Undertake a study to identify opportunities for the implementation of large scale green infrastructure projects that will limit the volume of storm water	1 – URGENT	TDB	TDB	TDB

Buildings & Related Facilities

The Sewer Department operates the Water Pollution Control Facility (wastewater treatment plant) and 29 buildings at the WPCF grounds. The buildings on the grounds of the WPCF are of variable age and condition and require a variety of upgrades, replacement of equipment, and regular maintenance to properly treat the wastewater collected from system users and discharge it to the Flint River consistent with regulatory requirements. The Department has similar needs to that of the Water Department for large vehicles and other equipment

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Wastewater Plant roof Repair roof at WPC.	1 – URGENT	\$106,100	\$106,100	\$0
Disinfection process upgrades Improvements to processes for treating wastewater.	1 – URGENT	\$150,000	\$150,000	\$0
Lighting upgrades Lighting upgrades at WPC.	1 – URGENT	\$212,200	\$212,200	\$0
Samplers Samplers at WPC.	2 – IMPORTANT	\$35,000	\$35,000	\$0
Air compressor Air compressor.	2 – IMPORTANT	\$44,000	\$44,000	\$0
Primary tank rebuild Rebuild primary tank at WPC.	2 – IMPORTANT	\$75,000	\$75,000	\$0
Lighting panel upgrades Upgrade lighting panel at WPC.	2 – IMPORTANT	\$87,400	\$87,400	\$0
Coarse bubble diffusers Coarse bubble diffusers at WPC.	2 – IMPORTANT	\$100,000	\$100,000	\$0
Meter replacement Final effluent meter.	2 – IMPORTANT	\$109,300	\$109,300	\$0
Meter replacement Battery A influent meter.	2 – IMPORTANT	\$109,300	\$109,300	\$0
Air diffuser upgrades Battery B.	2 – IMPORTANT	\$109,300	\$109,300	\$0
Vehicle storage addition Addition to vehicle storage.	2 – IMPORTANT	\$130,000	\$130,000	\$0
Controls Root blowers at WPC.	2 – IMPORTANT	\$175,000	\$175,000	\$0
HVAC equipment HVAC improvements at WPC.	2 – IMPORTANT	\$200,000	\$200,000	\$0
Aeration blower replacement Replace aeration blower at WPC.	2 – IMPORTANT	\$238,700	\$238,700	\$0

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Final tank installation Install final tank at WPC.	2 – IMPORTANT	\$274,488	\$274,488	\$0
Sludge cake storage Storage facility for sludge cakes.	2 – IMPORTANT	\$327,800	\$327,800	\$0
Concrete repairs Major concrete repairs at WPC.	2 – IMPORTANT	\$380,000	\$380,000	\$0
Blower header insulation Insulate blower header.	2 – IMPORTANT	\$437,100	\$437,100	\$0
Grit piping Battery B.	2 – IMPORTANT	\$491,700	\$491,700	\$0
Concrete coatings Concrete coatings.	2 – IMPORTANT	\$600,000	\$600,000	\$0
Solids disposal Ultimate disposal of solids.	2 – IMPORTANT	\$800,000	\$800,000	\$0
Headworks & bar screens Headworks and bar screens at WPC.	2 – IMPORTANT	\$1,000,000	\$1,000,000	\$0
Lab Remodeling of lab, new equipment, sample lines, and ventilation.	2 – IMPORTANT	\$1,000,000	\$1,000,000	\$0
4160 volt switchgear 4160 volt switchgear at WPC.	2 – IMPORTANT	\$2,185,500	\$2,185,500	\$0
Battery A grit chamber Replacement of Battery A grit chamber.	2 – IMPORTANT	\$5,500,000	\$5,500,000	\$0
HVAC upgrades - In Progress HVAC upgrades at WPC.	1 – URGENT	\$400,000	\$400,000	\$0
Final tank retrofits - In Progress At final 4 tanks at WPC.	2 – IMPORTANT	\$695,200	\$695,200	\$0
Modulating Valve B grit Butterfly Valve	2 – IMPORTANT	\$100,000	\$100,000	\$0
Air diffuser upgrades Battery A.	COMPLETED	\$190,000	\$190,000	\$0
Sump pumps Sump pumps.	COMPLETED	\$85,000	\$85,000	\$0
Biosolids load out facility engineering For biosolids load out facility.	COMPLETED	\$90,000	\$90,000	\$0
Biogas pump house Biogas pump house.	COMPLETED	\$100,000	\$100,000	\$0

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Outdoor lighting Lighting at WPC.	COMPLETED	\$130,000	\$130,000	\$0
Biosolids load out facility - 95% Complete Construction of biosolids load out facility at WPC.	COMPLETED	\$1,300,000	\$1,300,000	\$0
Isolation gates Battery B isolation gates.	REMOVED	\$106,100	\$106,100	\$0
Heavy mobile equipment Purchase of heavy equipment required to respond to emergency repairs.	REMOVED	\$163,900	\$163,900	\$0
Sodium hypochlorite. Purchase of sodium hypochlorite used in water treatment process.	REMOVED	\$650,000	\$650,000	\$0
Vehicles, dump trucks, vector, etc. Annual cost for 20 years.	REMOVED	\$9,352,700	\$9,352,700	\$0

Pumping Stations & Storage Facilities

As mentioned above, the City operates 11 pump stations. Storage facilities include an 8-foot 6-inch deep tunnel (10 MG of storage) and a 10 MG Retention Treatment Basin (RTB). The deep tunnel was constructed of concrete in the late 1970s as part of the RTB project. The flow is transported through a series of interceptors to the three main feeder pump stations (East Pump Station, Third Avenue Pump Station, and Northwest Pump Station). These three main pump stations then pump the flow to the WPCF for treatment. Both the East Pump Station and the Northwest Pump Station are located next to the WPCF. The Third Avenue Pump Station is located southeast of the WPCF and requires 18,181 feet of force main to send the flows to the WPCF.

The 8-foot 6-inch tunnel is upstream of the East Pump Station and discharges to the station. During large rain events, the tunnel is used for storage. The flow is allowed to accumulate in the tunnel and the East Pump Station pumping rate is reduced to allow the flow from the Northwest Pump Station and Third Avenue Pump Station to be pumped to the WPCF without restriction. The latter have essentially no storage capability, and must pump according to flow received. If the flows from the Northwest Pump Station and Third Avenue Pump Station exceed the capacity of the WPCF, the excess flow is diverted to the 8-foot 6-inch tunnel through the same 48" pipe that normally conveys sewage from the East Pump Station to the WPCF. Should the rain event be large enough to fill the tunnel, then flow from the tunnel will overflow to the 10 MG RTB for temporary storage. The RTB provides skimming and disinfection should its capacity be exceeded, prior to discharging flows to the river.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Electrical upgrades Various lift stations.	1 – URGENT	\$82,000	\$82,000	\$0
Replace lift station. Replace lift station 6.	1 – URGENT	\$250,000	\$250,000	\$0
Replacement pumps At northwest pump station	1 – URGENT	\$318,300	\$318,300	\$0
Switchgear at EPS Replace switchgear at East Pump Station.	1 – URGENT	\$450,900	\$450,900	\$0
Replace pumps East pump station.	1 – URGENT	\$655,600	\$655,600	\$0
Replacement pump Third Avenue pump station.	1 – URGENT	\$1,700,000	\$1,700,000	\$0
Electrical switchgear Third Avenue pump station.	1 – URGENT	\$1,900,000	\$1,900,000	\$0
High pressure header Third Avenue pump station.	2 – IMPORTANT	\$300,000	\$300,000	\$0
Retention basin Improvements at retention basin at WPC, including metering, concrete work, and chemical feed upgrades.	COMPLETED	\$100,000	\$100,000	\$0

Conveyance Systems & Appurtenances

The City has an extensive sanitary sewer collection and treatment system that includes approximately 569 miles of 8" to 72" gravity sewers and force mains, with manholes at regular intervals. The majority of the gravity sewers were constructed between the 1920s and 1950s, consisting mostly of vitrified clay, concrete, and some newer polyvinyl chloride (PVC) segments. The sanitary manholes are either block or pre-cast concrete. Televising portions of the system during the 2011 SSES revealed joint integrity to have been compromised along sections of the interceptors adjacent to Swartz and Thread Creek. Both sections of interceptors televised had root balls reducing the flow capacity at multiple locations by as much as 80 to 90%. The video also shows stretches of pipe with root infiltration at every joint, reducing flow capacity ranging from 15 to 50%. Some minor infiltration was observed; however, the root balls hindered the camera progress through the sections of pipe at the creek crossings and therefore potential inflow from the creeks was not determined. The integrity of the pipe itself appeared to be sound; however, most joints appeared to have some separation where root infiltration was present. This separation could potentially allow infiltration to occur during wet weather conditions. There was some sediment buildup observed in a few spots along the interceptors; however, there was not enough to reduce capacity of the interceptor.

Manhole inspections were performed on the manholes that parallel Swartz, Carman, Gilkey and Thread Creeks. The creeks are upstream of Meter 9 which appears to have significant (I/I). Ninety-three (93) manholes with perforated covers, which would be submerged during a "design storm" or a larger wet weather event, were found. Besides the perforated covers, several manholes were found to be in poor condition structurally and leaking. The Huron-Camden and Northwest areas have been identified as problem areas with regards to I/I, based on studies conducted in the past. Additional and more recent studies had flow meters strategically placed in the sanitary trunk line sewers around the City. These flow meters identified a significant flow increase to the sanitary system during rain events throughout the City. In the past, the use of dye testing procedures was used to identify cross-connections with some degree of success. However dye testing does not allow for a complete identification of all potential inflow sources; therefore, smoke testing of the system was the most economical and timely procedure to identify additional sources of inflow. The purpose of smoke testing was to identify potential sources of significant I/I through cross connections between sanitary and storm sewer collections systems. The smoke testing was performed as a team effort between City staff and ROWE.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Manhole rehab in floodplains Replace perforated covers and rehab/lining of manholes located within floodplains to reduce water inflow/infiltration (I/I).	1 – URGENT	\$1,200,000	\$1,200,000	\$0
Root control Root control within existing pipes to remove roots which might block waste flow, cost if for 20 years.	1 – URGENT	\$9,331,830	\$9,331,830	\$0
Pipe lining Lining of existing pipes to reduce water infiltration, cost if for 20 years.	1 – URGENT	\$15,000,000	\$15,000,000	\$0
Major valve repairs Repair major valves in system.	2 – IMPORTANT	\$200,000	\$200,000	\$0
Meter replacement	2 – IMPORTANT	\$8,400,000	\$8,400,000	\$0



7 CAPITAL IMPROVEMENT PLAN ECONOMIC DEVELOPMENT & EDUCATION

Economic development and education will form the foundation of the future of Flint and there will need to be multi- sector alignment and substantial investments in people, places, and planning to achieve the City's economic development vision.

The City of Flint was built on the automotive industry. While the auto industry continues to play an important role in the economy, other sectors are evolving including life sciences, transportation, distribution/logistics, advanced manufacturing, and information technology. The emergence of these and other industries is needed to diversify the City's economy and create growth and new opportunities for employment.

In addition, the City must also recognize that the 21st century economy is unpredictable and in constant flux. To stay competitive moving forward, the City must continually and proactively reassess its

economic development strategies and targeted sectors of investment to meet changing market needs.

To realize the economic development and education vision and goals of the Master Plan, the City must support and in specifically, concentrate and coordinate work force and economic development facilities in line with the Master Plan, strive to reuse Brownfield sites for productive purposes, and ensure that educational facilities and opportunities are well connected and reinforced by the City's capital improvements and infrastructure.

CIP Vision for Economic Development & Education

Imagine Flint as a dynamic college town, a center of innovation and entrepreneurship, a top destination for medical sector companies, an international hub for trade and transportation and a community where residents of all backgrounds share equally in Flint's economic rebirth. Imagine an entrepreneurial youth population, equipped for success through a robust education system and an extensive network of local businesses and institutions. Imagine a thriving small business scene, where aspiring businesses owners are empowered to open shops in neighborhoods across the City. Imagine transforming our current liability of vacant land into new green spaces for economic growth, creating jobs for residents in alternative energy, local food production, or "green initiatives" fields.

CIP Overview

A sluggishly growing economy with a surplus of available work- force labor and inexpensive, vacant commercial space can be found throughout all areas of Flint. Reshaping the economy in Flint is a primary principle of the master plan and is addressed through a variety of new, unique place types that focus increased improvements and investment strategically within these areas.

Neighborhood Centers, City Corridors, Commerce & Employment Centers, Production Centers and the Innovation District should represent the focus of future economic development initiatives and capital upgrades.

By emphasizing repairs and enhancements to these areas of perceived development, nodes of higher density and activity can develop creating enhanced options for workforce development, employment centers and future residential market demand. By reducing the importance on capital projects within current areas of commercial build slated for future areas of non-commercial, the City can focus its limited resources to invest in the future to achieve the goal of reshaping our economy.

Key Partners

It is important to remember that some of Flint's largest institutions such as Flint Community Schools, University of Michigan- Flint, Kettering University, Mott Community College, Baker College, and Hurley and McLaren Medical Centers have significant capital improvement needs and confront similar challenges in funding projects. This presents the City with a unique opportunity to coordinate our capital improvement efforts, seek additional cost savings by combining projects, jointly applying for grants, and eliminating reiterative work.

Developing stronger ties with Flint Community Schools on capital improvements has great potential given that many schools (open and closed) are located next to City parks, such as the Stewart School and Brennan Park. This connectivity allows for cooperation on maintenance and on improvements to facilities. In the case of closed schools, this would help

position the vacant buildings for adaptive reuse. Examples of school adaptive reuse projects include community centers, art centers, and Flint's own Oak Street School, which is being transformed into apartments for seniors.

Economic Development & Education Policy

The economic development and education policies are derived from the Master Plan and should shape all projects moving forward. These policies should provide a framework for evaluating the merits of any capital improvement project.

For detailed discussion of each policy, please refer to the Master Plan section and the page referenced.

Community education.

The City and Flint Community Schools should work together to reestablish a sustainable version of community education, with schools serving as "homebases" within neighborhoods and providing programming, meeting space, and social services.

Master Plan reference: Community Education, p. 205

K-12 and college curriculum integration.

Social and educational partnerships should be developed between Flint's public schools, Kettering University, UM-Flint, Baker College, and Mott Community College in order to better prepare Flint's K-12 students for college.

Master Plan reference: Integrating K-12 with Higher Education, p. 208

Workforce development.

Adults, especially ex-offenders and those struggling with literacy should be provided with

opportunities to gain additional education, skills, and training. *Master Plan reference:* Adult Workforce Development, pp 208-209

Small business support.

Incentives, incubators, and assistance programs should be used to encourage small business development in the City Corridor and Neighborhood Center place types, especially in underserved areas experiencing significant levels of retail leakage.

Master Plan reference: Supporting Small Businesses, pp. 210-213

Growth industries.

The City and its economic development partners should target retention and expansion efforts at the following six industries, which were determined by the Flint Regional Cluster Project to offer the highest potential for growth: life sciences; transportation, distribution, and logistics; automotive and transportation equipment manufacturing; machinery manufacturing; information technology; and food manufacturing.

Master Plan reference: Flint Regional Cluster Project, p. 203

Blue and green economy.

Leverage Green Innovation areas and the construction of the Karegnondi Water Pipeline for the creation of new "green" and "blue" jobs.

Master Plan reference: Green Initiatives, p. 214; Blue Economy, p. 214

Commercial demolition & revitalization.

A Commercial Areas Investment Framework, grounded in the Land Use Plan, should be developed that can create a targeted framework for demolition, public investment, and reuse of City of Flint **Capital Improvement Plan DRAFT – 1.10.16**

commercial properties.

Master Plan reference: Redeveloping & Repurposing Properties, p. 215-216

Brownfields.

Capitalize on Flint's existing infrastructure and well-connected transportation network to spur redevelopment of the Buick City and Delphi East brownfield sites, in alignment with the Land Use Plan.

Master Plan reference: Redeveloping & Repurposing Properties, pp. 215-216

Downtown Revitalization.

Four catalyst projects were identified that can best continue revitalization efforts in the Downtown area: (1) development of the Flat Lot; (2) restoration of Capitol Theatre; (3) redevelopment of Riverbank Park, including better utilization of the University Pavilion and new waterfront park space; and (4) creation of the Flint Health and Wellness District.

Master Plan reference: Downtown Flint, pp. 218-220.

Innovation District.

The City should encourage increased physical, social, and transportation linkages between key employers and institutional anchors clustered around the center of the City, from McLaren Regional Medical Center in the west through Downtown to Delphi East in the east.

Master Plan reference: Innovation District, p. 221

New residents.

Residential growth into the City should be encouraged and incentivized, particularly for foreign-born immigrants, current commuters, veterans, young professionals, and city employees living in Flint.

ECONOMIC DEVELOPMENT & EDUCATION CAPITAL IMPROVEMENT PLAN

Placemaking

Flint's Innovation District encompasses the University Avenue and Court Street corridors, the Flint River, and Delphi East. This area includes the region's largest employers, research institutions, and cultural assets such as: Kettering University, Mott Community College, University of Michigan - Flint, Genesys Downtown Flint Health Center, Hurley Medical Center, McLaren Regional Medical Center, Delphi East, and the Flint Cultural Center. Capital improvements within the Innovation District should be evaluated and prioritized to maximize benefits to the district's anchor institutions and their users.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Innovation District Comprehensive Plan The Innovation district stretches from the McLaren Regional Medical center in the west, to Mott Community College in the east, and also contains Flint's Downtown, Kettering University, and other civic and cultural assets.	2 – IMPORTANT	\$150,000	TBD	TBD
Wayfinding Signage – Innovation District Expand wayfinding program to roadways within the Innovation District, consistent with the design of the Downtown wayfinding program.	3 – DESIRABLE	TBD	TBD	TBD
Grand Traverse Greenway Trail Development 3-mile multi-use trail on the abandoned CSX Railroad to connect Downtown Flint, the Flint River, and surrounding neighborhoods to the southern part of the City.	2 – IMPORTANT	TBD	TBD	TBD
International Academy Safe Routes to School Improvements Improvements include: replacing sections of sidewalk along Oakley Street and Saginaw Street, updating ADA ramps and installing pedestrian heads at Oakley and Grand Traverse Street, and repainting crosswalks and updating pedestrian lights at Oakley and Saginaw.	COMPLETED			

Commercial Area Enhancement

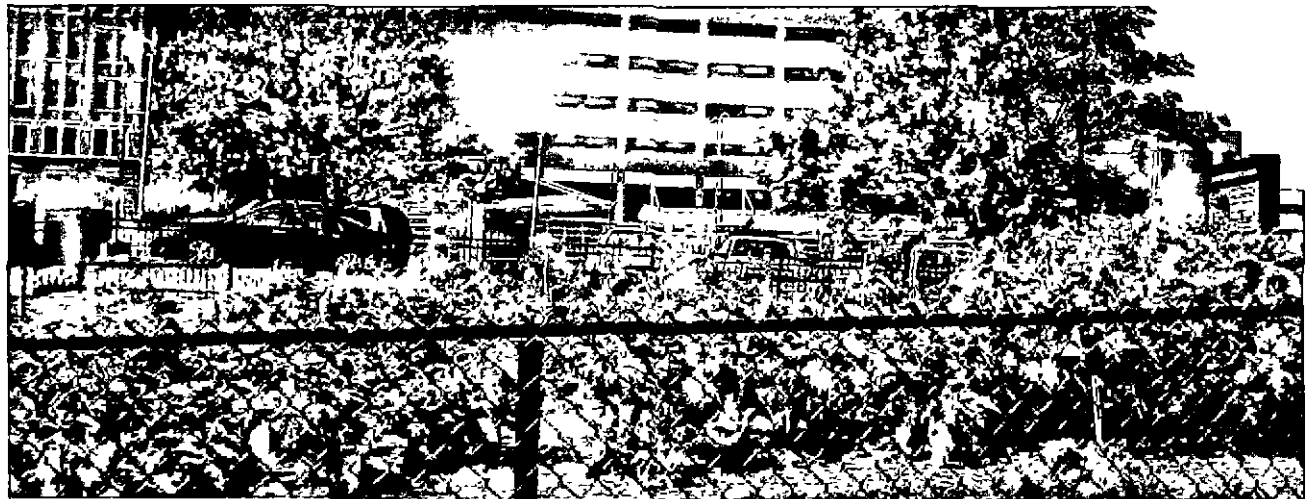
PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Buick City Accelerator Building Development and construction of a spec. building that would serve as an incubator on the Buick City site and allow for organizational growth.	2 – IMPORTANT	TBD	TBD	TBD
Commercial Structure Demolition Working from the Blight Elimination Framework, 432 blighted commercial structures have been identified as priority demolitions to enhance economic development within City commercial/retail nodes.	2 – IMPORTANT	\$21,600,000	TBD	TBD
Oak Business Center Facility Improvements Current large parking lot (formerly the lot of an auto dealership) needs to be replaced. Asphalt will be torn out and replaced and new striping put down.	COMPLETED	\$50,000	\$50,000	\$0

ECONOMIC DEVELOPMENT & EDUCATION CAPITAL IMPROVEMENT PLAN

Information Technology Upgrade

Information Technology Services for the City of Flint is responsible for planning and upgrading the information technology systems that allow the city to remain responsive and efficient when providing services to residents. A goal of the City is to develop free wireless internet accessibility in key community areas.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Consolidation and Construction of City owned Fiber Optic Network The construction and upgrade of Fiber optic communication lines that connect City offices in a Metropolitan Area Network (MAN) can strategically be done with Collaboration and consolidation partners such as the GISD and local universities can connect networks. The benefits are lower operating costs and more control and flexibility. Investment lasts 12 Years.	2 – IMPORTANT	\$240,000	\$240,000	\$0
Mesh Wireless Internet Accessibility for Residents A community run wireless network could be created with Mesh technology. Currently this technology is being piloted in Detroit and can be applied to Flint	3 – DESIRABLE	\$900,000	TBD	TBD



1.2.2. COMMUNITY ORGANIZATIONS MUST

community organizations must

Crime affects not only the everyday quality of life for Flint's residents, but also the City's regional and national perception. Moving forward, increasing the safety of residents will be dependent upon providing adequate resources to our at-risk youth; finding innovative new strategies, technologies, and partnerships to prevent crime; and sustaining effective, proactive, and responsive police and fire departments.

The transportation systems that this CIP works to improve and inspire are important not for their own sake but for the public safety, health, and welfare that they work to advance. Healthy transportation choices will rely on investment in sidewalks, bike paths, and supporting systems that provide full accessibility to all residents, regardless of age or level of mobility.

reinforce agencies and institutions that provide health care and education. Through this holistic and collaborative approach, the Flint community will be empowered to instill positive change that leads to a healthier population and a higher quality of life.

CIP Vision for Public Safety, Health & Welfare

Imagine Flint as one of the safest cities in the country, with a proactive and technologically-savvy police force trusted by residents. Imagine Flint as a regional hub for fresh and locally grown produce, where a thriving movement of entrepreneurial growers transform vacant lots into gardens and provide healthy food to schools, farmers markets, restaurants, and stores across the City. Imagine all of Flint's youth growing up in stable neighborhoods that are clean, safe, and welcoming, patrolled by police officers known to residents and home to community centers providing around-the-clock activities and services for youth.

CIP Overview

The City faces a constant battle against extremely high levels of crime and the general health welfare of Flint residents. Strapped with debilitating staffing levels, public safety operations must be at the forefront of efficiency to ensure adequate service support for the Flint community. Old and dysfunctional facilities must be prioritized first and receive significant improvements and upgrades in order to meet the growing need and demand for smart, data driven policing and fire safety procedures. As noted previously in the community facilities section, a study to determine the feasibility of full rehabilitation or potential new build remains of substantial importance.

Social service providers and

Key Partners

The City only has five community centers: Haskell, Berston, Hasselbring, Brennan, and McKinley. Two of these centers are so well utilized that they have already exceeded their capacity, demonstrating a clear need for community centers in the City, especially for youth.

Throughout the Master Plan, we overwhelmingly heard from youth that there are no safe places to go. Youth often cited this fact as a reason from high crime in the City. Thus, it is critical that the City work with community partners to raise substantial funds to make much needed upgrades to these community facilities. Sadly, with the City's fiscal crisis, little has been done to these facilities, but based on the priorities outlined in the Master Plan, funding improvements to these facilities must be a priority. When cities have invested in community centers, they often have seen significant declines in crime.

Public Safety, Health & Welfare Policy

The public safety, health, and welfare policies are derived from the Master Plan and should shape all projects moving forward. These policies should provide a framework for evaluating the merits of any capital improvement project. For detailed discussion of each policy, please refer to the Master Plan section and the page referenced

Facility maintenance and location.

To ensure the long-term viability of the City's public safety facilities, the City should conduct on-going maintenance, employ new technologies, increase energy efficiency, and identify consolidation opportunities. The location of Neighborhood Service Centers should be aligned with the Land Use Plan

Master Plan reference
State-Of-The-Art Police & Fire Departments, pp 238-239, Government Facilities, p 178

Police and Fire Department staffing.

New revenue streams and strategies should be identified that can help sustain adequate personnel levels, including grants, inter-department collaboration, and possible creation of an auxiliary or reserve force.

Master Plan reference:
State-Of-The-Art Police & Fire Departments, pp 238-239.

Crime Prevention through Environmental Design (CPTED).

Environmental contributions to crime should be eliminated through strategies such as territoriality, natural access

control, informal surveillance, regular maintenance, and code enforcement.

Master Plan reference
Crime Prevention through Environmental Design, p 242

Community policing and holistic partnerships.

The City and law enforcement entities should take a holistic approach to public safety through partnerships with community organizations, social service providers, educators, and health providers that can build trust with residents and offer alternative paths to at-risk youth and ex-offenders. The development of "wrap-around community centers" was identified by residents as one of the most important steps towards achieving this end.

Master Plan reference
Community Partnerships, p 242-244

Healthcare access.

While the City's role in healthcare is very limited, it should actively support policies, practices, and funding opportunities that increase awareness of existing services, expand services, increase accessibility of facilities, and reduce citizen dependence on drugs, alcohol, and smoking.

Master Plan reference,
Community Partnerships, p. 242-244

Urban food production.

Vacant lots and green space should be used for localized food production that can generate affordable fresh foods for residents.

Master Plan reference
Nutrition & Access to Produce, pp 250-252

Physical activity & exercise.

Changes in policies, programs, and the built environment (e.g. walkability and bikeability) should play a proactive role in reversing poor health trends and increasing healthy lifestyles.

Master Plan reference
Physical Activity & Exercise, pp 252-253

PUBLIC SAFETY, HEALTH & WELFARE CAPITAL IMPROVEMENT PLAN

Police Department

The facilities of the FPD include Police Headquarters, located on the City Hall Complex site, along with several service centers. The headquarters facility has a number of issues associated with it. Constructed at the same time as City Hall (1956), the 62,400 square foot building suffers from many of the same problems and inefficiencies. Many building components are outdated and in need of maintenance or replacement. The building is extremely energy inefficient. The list of necessary capital improvements for FPD facilities is only a portion of what is likely needed, and there are serious questions as to the long-term viability of at least some of the buildings considering their age, condition, and cost of corrections needed. The City should consider including in a study of options for right-sizing their facilities to meet projected staffing needs the needs of the Police Department, especially the head-quarters.

Opportunities could also exist as part of the implementation of the Master Plan to repurpose FCS facilities into combined police mini-stations/ community centers/senior centers.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Police Station bridge to 5th Street Improvements to the public access from 5 th Street. Includes improvements for emergency exit from facility by employees.	1 – URGENT	\$30,000	\$30,000	\$0
Flint City Lock-Up Door Replacements Replace doors in temporary lock-up facility located on the 3rd floor of Police Station. Doors currently do not operate or close as they should.	1 – URGENT	\$50,000	\$50,000	\$0
Police Station HVAC Improvements to the heating and cooling system at Police Station.	2 – IMPORTANT	\$1,685,000	\$1,685,000	\$0
Police Station remodeling Remodeling of interior space.	2 – IMPORTANT	\$250,000	\$250,000	\$0
Police Station roof repairs Repairs to the roof to prevent and correct leaks.	1 – URGENT	\$100,000	\$100,000	\$0
Police Station electrical upgrades Improvements to the electrical system at the Police Station.	2 – IMPORTANT	\$200,000	\$200,000	\$0
Police Station -Property Room Fencing and shelving for property, Move blood drying cabinets to MPO and construct venting system, create electrical supply for blood drying Cabinets, connect water supply to Blood Drying Cabinets. Electronic door entry readers, Dehumidifiers, Air purifiers, Labor to move Drying cabinets, sprinkler Fire Suppression System, Security Cameras and paint.	1 – URGENT	\$209,450	\$209,450	\$0
Police Station- General Improvements New paint and replacement of kickplate trim throughout entire building. Replacement of windows and fix the flooding issues on east end of building	1-URGENT	\$517,000.00	\$517,000.00	\$0
Police Station- Patrol Operations Upgrades Upgrades include removing old wiring, flooring, ceiling tiles and replacing with new wiring, new paint and new carpet.	1-URGENT	\$68,900	\$68,900	\$0

Police Department				
PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Police Station- Control Center (formally TRU) New wire room for feeds, installation of new video monitors and replacement of ceiling tiles and new paint	1-URGENT	\$21,500	\$21,500	\$0
Police Station- Juvenile Offices Repairs and upgrades to the offices include flooring, bathrooms and holding cells	2- IMPORTANT	\$30,000	\$30,000	\$0
Police Station Lighting Installation of new, motion sensor lights	2-IMPORTANT	\$100,000	\$100,000	\$0
Police Station- Front Desk Workspace overhaul and remodel.	2- IMPORTANT	\$20,000	\$20,000	\$0
Police Station- Traffic Bureau Replace carpet and new paint	2- IMPORTANT	\$8,500	\$8,500	\$0
Police Station HVAC Improvements to the heating and cooling system at Police Station.	2- IMPORTANT	\$1,685,000	\$1,685,000	\$0
Police Station- Crime Stoppers Office Replace carpet that was flooded and now smells moldy	2- IMPORTANT	\$5,000	\$5,000	\$0
Police Station- Women's Locker Room Replace broken toilet in handicapped stall	2- IMPORTANT	\$500	\$500	\$0
Police Station – City Lock Up Substantial upgrades and rehabilitation to the BLOCK's, Female holding area and the Booking Room	2- IMPORTANT	\$35,000	\$35,000	\$0
Police shooting range Improvements to police shooting range.	REMOVED			

**PUBLIC SAFETY, HEALTH & WELFARE
CAPITAL IMPROVEMENT PLAN**

Fire Department

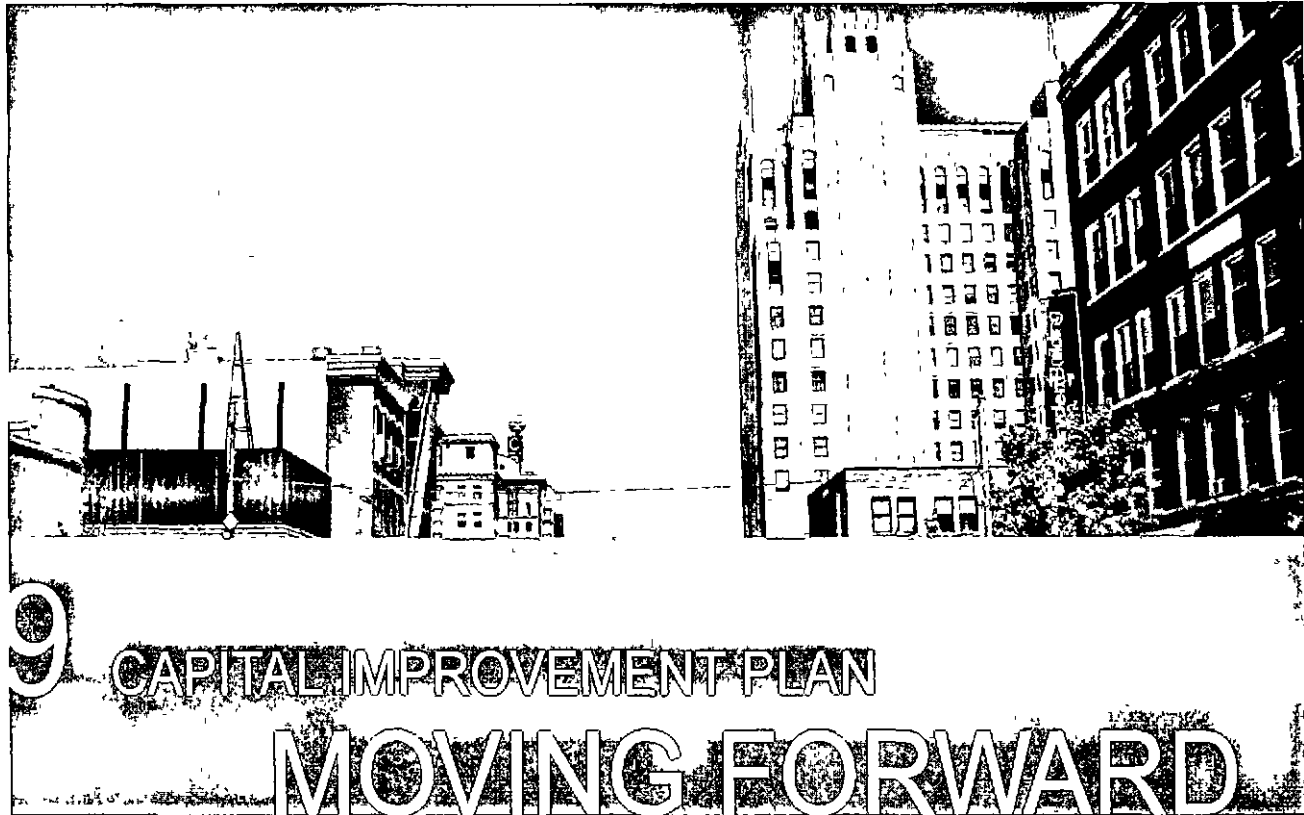
The Fire Department includes six (6) fire stations (with old Station 5 and Station 7 being closed) which are in various conditions. All have needs to varying degrees for upgrades or other improvements. There is no comprehensive facility assessment known for any of the fire stations and this should be considered. It is very likely that these facilities have many of the same issues as others of the City, with the added concerns of FFD staff being on duty 24 hours, 365 days a year. The assigned station is home to firefighters, who perform their duties as assigned, eat, and sleep at the station. This aspect presents unique issues not present in other facilities, such as kitchen remodeling and updates appliances, etc.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Atherton Road Station Roof Repair Repairs to the roof at the Atherton Road Fire Station.	1 – URGENT	\$10,000	\$10,000	\$0
Fire Station 2 Roof Repairs to the roof at Fire Station 2.	1 – URGENT	\$15,000	\$15,000	\$0
Fire Station 1 Kitchen Remodeling of the kitchen at the main Fire Station.	2 – IMPORTANT	\$60,000	\$60,000	\$0
Fire Station 5 Miscellaneous Items Updates and maintenance to miscellaneous items at Fire Station 5, including security upgrades, Nederman unit, bay door, refrigerator, etc.	2 – IMPORTANT	\$90,000	\$90,000	\$0
Fire Station 8 Miscellaneous Items Updates and maintenance to miscellaneous items at Fire Station 8, including tiles, plumbing, Nederman unit, HVAC unit, etc.	2 – IMPORTANT	\$95,000	\$95,000	\$0
Fire Station 6 Miscellaneous Items Updates and maintenance to miscellaneous items at Fire Station 6, including minor roof repairs, HVAC unit, tiles, lighting, painting, etc.	2 – IMPORTANT	\$96,500	\$96,500	\$0
Fire Station 1 Miscellaneous Items Updates and maintenance to miscellaneous items at Fire Station 1, including a new HVAC unit, carpeting, ceiling tiles, painting, etc.	2 – IMPORTANT	\$145,000	\$145,000	\$0
Fire Station 3 Miscellaneous Items Updates and maintenance to miscellaneous items at Fire Station 3, including a new AC unit, minor roof repairs, parking lot gate, bay door, etc.	2 – IMPORTANT	\$150,000	\$150,000	\$0
Fire Station 4 Miscellaneous Items Updates and maintenance to miscellaneous items at Fire Station 4, including various systems and furnishings.	2 – IMPORTANT	\$150,000	\$150,000	\$0
Fire Station 1 HVAC Improvements to the heating and cooling system at Fire Station 1.	2 – IMPORTANT	\$845,000	\$845,000	\$0
Fire Station 1 Roof Replacement Replace roof at Fire Station 1.	COMPLETED	\$127,400	\$127,400	\$0

Community Wellbeing

The City currently has two senior centers (Brennan and Hasselbring), two youth centers (Berston and Haskell), and the McKinley Center (run by VISTA Drop-In Center). All are well utilized, with programming at all of the centers if provided by various non-profit partners. Some are utilized to the point that they physically cannot accommodate more users without capital investments, an indication of the need for more centers and partners to help with programming. Utilization of senior and community centers can be a key component in implementation of the Master Plan and many of the different place types, which can include adaptive reuse of FCS facilities. There is an immediate need for improvements at the two senior centers and it is likely that improvements are needed at the others. Identifying funding for necessary projects needs to be a priority, along with project partners.

PROJECT NAME	PRIORITY	TOTAL COST	CITY COST SHARE	NON-CITY FUNDS
Facility Needs Assessment Undertake a study to identify improvements needed at the various community centers (Berston, Brennan, Haskell, Hasselbring, and McKinley) and identify long term goals for providing services at each center.	1 – URGENT	TBD	TBD	TBD
Soil/Turf repairs at Haskell Youth Center Soil cap design and construction for the demolished swimming pool site at Haskell Youth Center.	2 – IMPORTANT	\$13,000	\$13,000	\$0
Pierce Community Center HVAC Replacement of air conditioning units at Pierce Community Center.	3 – DESIRABLE	\$15,000	\$15,000	\$0
Fire Sprinkler System at Berston Field House Fire sprinkler system installation at Berston Field House. Cost estimate by Sedgewick & Ferweda Architects in on-site survey and analysis report (May 19, 2014).	3 – DESIRABLE	\$150,000	\$150,000	\$0
LED Lighting Conversion Convert existing lights at city-owned community centers (including Berston, Haskell, Pierce, McKinley, Mott Park, Brennan, and Hasselbring) to high-efficiency LED fixtures to reduce long-term utility costs. Total cost represents a rough estimate based on the cost of conversion for gym lighting at Berston Field House.	3- DESIRABLE	\$210,000	\$210,000	\$0
Bishop & MLK Service Center Improvements to the Service Center that are needed.	COMPLETED	\$50,000	\$50,000	\$0
Berston Lighting Improvements Installation of new energy efficient lights	COMPLETED	\$37,850	\$37,850	\$0
McKinley Center HVAC Repairs Emergency replacement of multiple furnaces in the McKinley Center	COMPLETED	\$10,194	\$10,194	\$0
Hands Free Faucets Installation of hands-free faucets at Berston, Haskell, McKinley, and Mott Park.	REMOVED			



9 CAPITAL IMPROVEMENT PLAN MOVING FORWARD

NEXT STEPS

The City of Flint is gathering significant momentum towards a rebirth. Implementation of the Master Plan will require significant capital investments. The projects listed in this CIP are but a fraction of what is needed for the City to once again attain its previous status.

The next steps required for the growth and development of Flint over the next 20 years include:

- Use of the Master Plan to guide City policies and decision-making;
- Review and update of the Zoning Ordinance, which is currently underway, and other development controls to reflect policies presented in the Master Plan;
- Use of this CIP to plan for recommended infrastructure improvements,
- Promote cooperation and participation among various agencies, organizations, community groups, and individuals;
- Prepare and implement a 5-year Strategic Plan to prioritize objectives and list accomplishments of preceding years;
- Explore possible funding sources and implementation techniques for projects;
- Enhance public communication and community engagement in decision-making; and,
- Update the CIP, Strategic Plan, and Master Plan at regular intervals.

ADOPTING AN ANNUAL CIP PROCESS

The CIP is a distinct element of the annual budget process that flows through City government in separate, but linked channels. The CIP process typically occurs earlier than the budget process, as the CIP will be used in developing the capital projects portion of the annual budget. The process for developing the CIP generally involves the following steps

Step 1: Organize the Process

Since the City has not had a formal process for collaborating on development of a CIP, the first step should be to develop and organize a process for doing so. Staff members whose work duties, responsibilities, and/or expertise are impacted by or affect capital improvement projects should be identified as members of the CIP Team. These meetings should occur on a regular basis throughout the year and not wait until immediately prior to the budget process, as the CIP process will take on less meaning if it is merged in any way with the budget. The CIP draft should be completed well prior to beginning the budget process, with adjustments to the CIP made as needed based on budget discussions.

Step 2: Identify Needs

Each member of the CIP Team identifies the needs within or affected by its particular asset area. Team members should develop their CIP “wish list” of needs for facilities they are responsible for throughout the year and bring this list to the first CIP Team meeting. These needs can be identified by reviewing the findings of the City’s various master plans, maintenance records and experiences of staff, and citizen requests submitted since the last CIP process.

Step 3: Identify Key Scope Items

Next, each member of the CIP Team identifies key scope items that are likely to influence the cost and/or schedule requirements of the project to address the needs. These items may include: impacts to natural features; changes to the character of an area; locations within established boundaries such as historic districts, DDA, Master Plan place types, etc.; impacts on other utility infrastructure systems or their operations; special assessment or other outside funding component; need to obtain right-of-way or easement area; or, require a public engagement process.

There are tools that can be utilized in this process. One is the utilization of the City's geographic information system (GIS), which should contain an inventory and status or condition of many of the key items listed above. By identifying the location of a particular need, the presence or absence of many key items can be determined. Another tool, though not as technical as the GIS, is the broad perspective of the CIP Team members. By leveraging the expertise of the various staff involved with, or affected by, the operations and improvement of a particular asset area, many critical scope items can be factored into the planning and programming of a project to address a particular need.

If these scope items are not taken into account as part of the CIP process, the implementation of many projects is likely to encounter delays and cost overruns as these items are discovered during the actual project study and design activities.

Step 4: Prioritize Needs

The key task for the CIP Team is to evaluate and prioritize the many identified needs. This is a critical component of the CIP process. Project selection and scheduling is constrained by the amount of funding anticipated to be available for capital projects. Shrinking funds and rising costs incurred in maintaining and rehabilitating deteriorating infrastructure make the process of selecting the most vital capital projects even more crucial and difficult. The merits of each need must be judged against the policies and criteria of the CIP process and the goals of each component of the Master Plan, as well as against the other competing needs.

Collaborative Classification Process

This CIP utilizes the collaborative classification method to prioritize projects. This method considers the varied perspectives on a given project to arrive at a prioritization relative to the other needs within that project category.

Prioritization or Weighting Model

Some communities utilize a detailed, yet clear method of prioritizing projects. The City of Flint should consider use of a prioritization or weighting model, which employs the following procedure.

1. Determine the decision criteria to be used in the prioritization analysis
2. Assign relative weights to the criteria from 0 to 100, with 100 being the most important criteria and the others weighted relative to the most important
3. Determine performance measures from 0 to 10 for each criterion
4. Score each need/project for each criterion

5. Run the model

The results of the prioritization model express the overall, relative benefit of each need/project compared to the others in that particular category. These results are reviewed to confirm that the criteria, weighting, and scoring have not produced improper results. If it is determined by the team that some aspects of the results are inappropriate, the criteria, weighting, and/or scoring should be reviewed and adjusted and the model re-run. The purpose of this iterative process is to better calibrate the model, but care must be taken to not adjust the model to produce "desired" results.

Note that while priorities for projects are included in the project listings, it is incumbent on the City to determine the final priority for projects between departments once department heads have prioritized projects within their own area of responsibility. Regardless of the method employed (prioritization model, collaborative process, or other means), this step is to be conducted without consideration of project cost or availability of funding or staffing resources. The goal of this step is to assign a priority to each project to allow for subsequent steps to be completed.

Step 5: Schedule Projects

During previous steps, CIP Team members identified needs, developed scope, and prioritized needs based on use of some method for doing so. An item of major importance is the scheduling of projects based on the initial estimate of the project costs, proposed funding source(s) for those costs, and prioritization.

The CIP Team members should develop an initial proposed schedule for the projects based on their understanding of the need and its relative priority within its asset category. Unlike a budget, a CIP is not required to be fiscally constrained based on available dollars, but it should have some semblance of reality to be effective and serve its intended purpose of providing guidance to future budget cycles.

The projects should initially be grouped by the fiscal year in which funding is proposed. The CIP Team should then evaluate each fiscal year grouping and adjust project schedules until an overall schedule of projects is established wherein:

Higher priority needs are addressed before lower priority needs.

Available funding limits are not exceeded for the upcoming budget cycle.

Staffing resources are anticipated to have capacity to perform the projects.

Step 6: Prepare, Adopt & Approve

As the process continues, and increasingly detailed information emerges, projects may be added, altered, or abandoned. Eventually, the CIP Team arrives at a final list of projects that is submitted to the City Planning Commission for review.

The Planning Commission evaluates the CIP package in light of additional information, holds a public hearing, and makes final programming decisions before adopting the CIP and sending it on to City Council. Council approves the CIP after its review. Approval is not a commitment to finance the approved projects, but is a statement of policy regarding the City's approach to meeting its future capital needs. However, the first two years of the CIP do form the initial basis for the Capital Projects Budget portion of the City's Annual Budget.

Policy Assessment

The City Council ultimately approves the assumptions, criteria, policies, and recommendations of the CIP Team and City Planning Commission by approving the CIP. Depending on the policy orientation, modifications are expected throughout the process. This is considered an essential part of the procedure, placing the burden on those who dissent to assess the policies underlying the recommendations and to advocate their differences, resulting in the necessary evolution of the entire capital planning process.

Highlight Priority Needs

Regardless of Funding

It is inevitable that the number of projects required to address all of the City's infrastructure needs will exceed the available funding. In the endeavor to provide better service to the community, capital projects are proposed at times which, unfortunately, are moved to a later date when funding is available, or are determined to be unfunded or unprogrammed. This process should not discourage staff from continuing to submit identified needs, but should develop into a mechanism to help in the effort to uncover alternate sources of funding and see that higher-priority projects get implemented.

APPENDIX

The attached Appendix includes the CIP spreadsheet that provides more detailed information about budget cycles, funding sources, and project costs for projects listed in this CIP. Several projects do not have a detailed scope or cost determined and there are numerous additional studies and investigations needed for the City to document existing conditions and fully understand infrastructure and capital improvement needs. Additional discussion on "Moving Forward" can be found in Chapter 12 of the Master Plan.

Byrne, Randall (Treasury)

From: Cline, Richard (Treasury)
Sent: Tuesday, January 19, 2016 4:23 PM
To: Byrne, Randall (Treasury)
Cc: Schafer, Suzanne K. (Treasury)
Subject: RE: Message from "RNP002673A81665"

Importance: High

Randy,

I have reviewed our information and I can only confirm a few pieces of information that are highlighted:

- December 20, 2012 – While I have no specific information on this listing, Treasury and the City met with TYJT on December 21 to review options on either going with KWA or staying with DWSD. I believe this was a presentation of TYJT's preliminary report. I also have a reference that on December 21, the City received a new proposal from DWSD for water purchases. These points are outlined in a January 23, 2013 memo to the State Treasurer.
- March 12, 2015 – I can confirm this is the date that Veolia released its report. We have a copy of this document.
- January 9, 2015 – I have no specific information on this issue. However, it is worth noting that it was at this time that the TTHM issue also began. Much of our information from this period concerns this issue. The TTHM issue was not resolved until early September 2015. The earliest reference I see on a lead issue is late September.

This is all of the information that I can find to cross-reference.

I should note that many of these events our office was not directly involved.

If you have further questions, let me know.

Eric Cline | Department Manager | State of Michigan
Michigan Department of Treasury | Local Government Financial Services Division | Fiscal Responsibility Section
430 W. Allegan Street, 3rd Floor | Lansing, MI 48922
Lansing Office (517) 335-2078 | Cell Phone (517) [REDACTED] Traverse City Office (231) 922-5228
E-mail cliner1@michigan.gov

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From: Byrne, Randall (Treasury)
Sent: Tuesday, January 19, 2016 3:25 PM
To: Cline, Richard (Treasury) <cliner1@michigan.gov>
Subject: FW: Message from "RNP002673A81665"
Importance: High

Eric:

Please review and discuss.

Randy

From: Saxton, Thomas (Treasury)
Sent: Tuesday, January 19, 2016 3:17 PM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: FW: Message from "RNP002673A81665"
Importance: High

Wayne & I are tied up for the next hour+. Can you guys start looking at this.

From: Khouri, Nick (TREASURY)
Sent: Tuesday, January 19, 2016 3:14 PM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: FW: Message from "RNP002673A81665"

Wayne and Tom

We need to quickly look at this and see if we agree

Thanks

From: Posthumus, Dick (GOV) [<mailto:Posthumusd@michigan.gov>]
Sent: Tuesday, January 19, 2016 2:50 PM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Sally Durfee <sdurfee05@hotmail.com>; Sally Durfee
Subject: Fwd: Message from "RNP002673A81665"

Let me know if this is accurate Thanks
Dick

Sent from my iPhone

Begin forwarded message:

From: "Posthumus, Dick (GOV)" <Posthumusd@michigan.gov>
Date: January 19, 2016 at 1:53:44 PM EST
To: "Redford, James (GOV)" <RedfordJ@michigan.gov>, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>, "Agen, Jarrod (GOV)" <AgenJ@michigan.gov>, "Creagh, Keith (DEQ)" <creaghk@michigan.gov>, "Pallone, Maggie (DEQ)" <PalloneM@michigan.gov>, "Lyon, Nick (DHHS)" <LyonN2@michigan.gov>, "Ruest, Karla (DHHS)" <RuestK@michigan.gov>
Subject: FW: Message from "RNP002673A81665"

To all;

Senator Ananich would like to add additional items to our timeline that I sent. They are highlighted and I think show up on this scan. Please look at and let me know if they are factual (DHHS and DEQ) (and if you say they aren't tell me why because Senator Ananich will have his info). I want to make sure we are accurate as to what happened when. Need to know as soon as possible (by end of day would be nice)

Dick

-----Original Message-----

From: legislative_scanner@michigan.gov [mailto:legislative_scanner@michigan.gov]

Sent: Tuesday, January 19, 2016 1:35 PM

To: Posthumus, Dick (GOV) <Posthumusd@michigan.gov>

Subject: Message from "RNP002673A81665"

This E-mail was sent from "RNP002673A81665" (MP C3503).

Scan Date: 01.19.2016 13:34:47 (-0500)

Queries to: legislative_scanner@michigan.gov

Pleyte, Beth (Treasury)

Sent: Tuesday, January 19, 2016 5:07 PM
To: Khouri, Nick (TREASURY); Workman, Wayne (TREASURY)
Cc: Stanton, Terry A. (Treasury)
Subject: RE: Message from "RNP002673A81665"
Attachments: 20160119133448197.pdf

Per our conversation a lot of these dates involve DEQ et al in which we/Treasury did not play a role i.e., someone else would need to confirm their accuracy.

Items we would question from the document or need to investigate further...

12/20/12 (p.1) - we don't have the notification that is referenced

3/29/13 (p.2) – we are not aware of any veto by Kurtz.

The early offers by DWSD to reconnect were rejected because of the cost, they were long term & the fact the City had executed a contract with KWA.

3/12/15 – the Veolia report did mention corrosion control but the focus was on TTHM which was chlorination issue not related to the lead problem. I believe Treasury funded the study.

From: Khouri, Nick (TREASURY)
Sent: Tuesday, January 19, 2016 3:14 PM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: FW: Message from "RNP002673A81665"

Wayne and Tom

We need to quickly look at this and see if we agree

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From: Posthumus, Dick (GOV) [<mailto:Posthumusd@michigan.gov>]
Sent: Tuesday, January 19, 2016 2:50 PM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Sally Durfee <durfees@michigan.gov>; Sally Durfee <sdurfee05@hotmail.com>
Subject: Fwd: Message from "RNP002673A81665"

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Sent from my iPhone

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Subject: Message from "RNP002673A81665"

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Scan Date: 01.19.2016 13:34:47 (-0500)
Queries to: legislative_scanner@michigan.gov

Summary of Flint Water Date Timeline and Background Information

Overall

- The health and welfare of Flint residents is a top priority and Governor Snyder is committed to a coordinated approach with resources from state agencies to address all aspects of this situation.
- Governor Snyder has requested support from the Federal Emergency Management Agency (FEMA) to coordinate with other federal agencies to provide resources to Flint as we work on short-term and long-term solutions for residents.
- About a month after Governor Snyder became aware that the city of Flint's water showed elevated lead levels and that the state's handling of the situation was being questioned, he requested funding to switch the source back to the Great Lakes Water Authority and appointed an independent task force to identify possible missteps and areas for improvement.
- On Jan. 11 Gov. Snyder created the Flint Water Interagency Coordinating Committee (FWIACC), which will bring together a wide range of experts to work on long-term solutions to the Flint water situation and ongoing public health concerns affecting residents. The FWIACC is made up of experts from government and the Flint community and will set a course of action to remedy the water situation and resulting health issues, and carry on long after the emergency declaration expires.
- The independent Flint Water Task Force is continuing a full review of all local, state and federal actions that led to the current situation in Flint. A detailed report will be released upon completion.

In response to initial findings from the Flint Water Task Force, Governor Rick Snyder accepted the resignation of the Director of the Michigan Department of Environmental Quality.

Here is a summary timeline of the Flint water events:

2006

January: Discussions regarding Karegnondi Water Authority start.

2011

July: Flint receives the results of a study they commissioned examining the feasibility of processing water from the Flint River in the Flint Water Treatment plant. That analysis says that getting the plant up to speed could take as long as five years and nearly \$50 million.

November 8: The State of Michigan declares a financial emergency in Flint.

November 29: Governor Snyder appoints Flint's first Emergency Manager, Michael Brown.

2012

December 20: The City of Flint notifies the Department of Treasury that it is no longer considering using the Flint River as a primary water source.

2013

March 25: Flint City Council votes on a resolution presented to them by Emergency Manager Ed Kurtz to join the Karengondi Water Authority. Although the council approves the resolution 7-1, the council alters the quantity of water to be purchased from KWA before they vote.

March 29: Flint Emergency Manager Ed Kurtz vetoes Flint City Council's changes to the KWA resolution and signs an Executive Order to join KWA.

April 12: State of Michigan approves of the decision for Flint to join KWA.

April 16: City of Flint Emergency Manager Ed Kurtz signs agreement to switch from Detroit Water and Sewerage Department water source to KWA. DWSD sets termination of Flint water service for April 17, 2014.

April 17: DWSD says it will stop selling water to the City of Flint in April 2014.

June: Flint notifies the DEQ of intent to operate the Flint Water Treatment Plant full-time using Flint River for drinking water.

2014

February 12: DWSD writes a letter offering to continue to provide service after April 2014.

Mid-March: City of Flint decides to use the Flint River as a water source.

April 4: Flint files its application with DEQ for a permit to treat Flint River water. Reportedly, DEQ normally takes 30 to 45 days to approve these permits.

April 10: DEQ issues Flint Water Treatment Plant construction permits for full-time operation enhancements.

April 18: DEQ visits the Flint Water Treatment Plant to ensure the permitted upgrades have been completed.

April 25: City of Flint switches to Flint River water.

July: DEQ begins the first six-month Flint lead-copper monitoring report. Part of EPA corrosion control protocol. Although DEQ is requiring the city to conduct lead and copper monitoring, they are not requiring the city's water treatment plant to use any form of corrosion control, which would cost about \$60 a day.

October: GM stops using Flint water because of corrosion problems.

December: First round of lead-copper monitoring results come back at 6 ppb. Flint's two prior lead results were 0 ppb. Although these results were due January 10, 2015, they were not finalized until February 27, 2015.

2015

January 1: DEQ begins second six-month Flint lead/copper monitoring period.

January 9: UM-Flint begins testing its water and ultimately finds elevated lead levels in water on campus. They alert city officials.

January 12: DWSD offers Flint's emergency manager a waiver of the \$4 million reconnection fee to switch back to Detroit water.

January 26: Flint releases its Capital Improvement Plan, which includes provisions for a phosphoric acid feed system for corrosion control.

February 26: The EPA discusses a resident's water sample testing results with the DEQ. High levels of lead (104 ppb) were found in the water at the residence.

February 27: DEQ responds to the EPA saying that the Flint Water Treatment Plant has an optimized corrosion control program.

February: EPA offers to send a corrosion control expert to Flint, and DEQ ignores the offer.

March 12: Consultant Veolia, which was hired by Flint's emergency manager, releases its final water quality report for Flint that includes the recommendation for corrosion control.

March 23: Flint City Council votes 7-1 to return to DWSD water. The city's Emergency Manager does not approve the switch, so the city continues to rely exclusively on the Flint River for water.

April 24: DEQ indicates no corrosion chemical (orthophosphate) in place. DEQ staff were following an incorrect interpretation the EPA protocol for two six month testing periods (to end in July), which requires corrosion control.

May 28: Sample results from the residence noted with high lead levels on Feb. 26 show lead levels improved after a new copper service line installation.

June 24: EPA official Miguel Del Toral releases a memo about high lead levels in Flint.

July 9: Flint water treatment official emails DEQ admitting that Flint was in violation for having two few samples. The deadline for the January-June 2015 report is July 10.

July 10: DEQ staffer replies to Flint water treatment official saying that DEQ was "discussing options" regarding the number of samples Flint was required to collect.

July 13: DEQ spokesman Brad Wurfel says, "anyone who is concerned about lead in the drinking water in Flint can relax."

July 21: A conference call between EPA and DEQ officials reveals that EPA experts do not agree with DEQ's interpretation of the Lead and Copper Rule with respect to corrosion control requirements.

July 28: Flint WTP sends a lead and copper report to DEQ. Its results are above the EPA action level, but this report is ultimately labeled a draft.

July 28: Excerpt response from Childhood Lead Poisoning Prevention program head:

"We compared lead testing rates and lead testing results to the same time frame for the previous 3 years, to see if there were any patterns that suggested that there were increased rates of lead poisoning after the water supply was switched.

- Lead testing rates remained about the same from year to year
- There was a spike in elevated blood lead tests from July-September 2014
- However that pattern was not terribly different from what we saw in the previous three years,

especially in 2011-2012 (we are working with our Epidemiologist to statistically verify any significant differences).

- We commonly see a 'seasonal effect' with lead, related to people opening and closing windows more often in the summer, which disturbs old deteriorating paint on the windows, sills and sashes. Window fans frequently blow and spread the lead dust from the deteriorating paint to other parts of the room/house. We suspect that the summer data spike may be related to this effect.
- If the home water supply lines and/or river water were contributing to elevated blood lead tests, we expected that the increased rates would extend beyond the summer, but they drop quite a bit from September to October, stayed low over the winter, and are just starting to tail up again in the spring of 2015.

"So upon review, we don't believe our data demonstrates an increase in lead poisoning rates that might be attributable to the change in water source for Flint. We recognize that lead exposure via the water is only a small piece of what may be happening for families in Flint, however, we hope the information is helpful."

August 4: Meeting with Governor's Office and Flint pastors.

August 17: DEQ notifies the Flint WTP of the second six-month lead/copper monitoring results that show lead levels at 11 ppb. These results reflect an increase above the last report, which had results of 6 ppb, and the two most recent pre-switch results, which had results of 0 ppb. DEQ arrives at 11 ppb result after it, unprompted, removes two high-lead samples from the pool. If those samples are included, Flint's lead levels would be above the EPA action level.

August 23: Virginia Tech researcher, Marc Edwards, notifies the DEQ that he will begin a study of the City of Flint water quality.

August 24: Dr. Mona Hanna Attisha from Hurley Hospital contacts Genesee County Health Department for blood lead level data/information.

August 28: Concerned Pastors announce water filter giveaway in Flint.

September 1: Concerned Pastors holds giveaway of 1,500 lead-reducing water filters in Flint, which was coordinated by Governor's Office.

September 1: Virginia Tech professor Marc Edwards releases an independent analysis of Flint water finding elevated lead levels.

September 2: Virginia Tech researcher, Marc Edwards, indicates that the corrosiveness of the Flint water is causing lead to leach into the residents' water.

September 24: Dr. Mona Hanna-Attisha of Hurley Medical Center issues study showing high blood lead levels in City of Flint children.

September 24: DHHS spokeswoman says Dr. Mona Hanna-Attisha's lead data are a seasonal anomaly.

September 25: Flint issues lead advisory regarding drinking water.

September 27: Free Press analyzes state lead data and finds elevated levels, confirming Dr. Hanna-Attisha's results.

September 27: Governor's spokeswoman called Hurley's lead data "spliced and diced."

September 28: DEQ spokesman Brad Wurfel comments on Dr. Edwards's results saying, "this group specializes in looking for high lead problems. They pull that rabbit out of that hat everywhere they go."

September 29: Dr. Eden Wells, State Medical Officer, contacts Dr. Mona Hanna Attisha regarding her study results.

September 30: Briefing to Director Lyon comparing Lead Copper Rule Testing (EPA protocol) and Marc Edwards protocol.

October 1: Michigan Department of Health and Human Services confirms results of Hurley Medical Center Study.

October 1: DHHS provides information for Flint Water website, including the following documents: Parent Handbook: Is Your Child Safe From Lead Poisoning, Blood Lead Level Quick Reference for Primary Care Providers, Lead Screening & Testing for Safe, Healthy Michigan Kids, and finally, Pregnant and Nursing Mothers: What You Need to Know.

October 1: City of Flint, Genesee County Health Department urge residents to not drink water and issues "Do Not Drink" Advisory.

October 2: DEQ falsely claims that Flint's use of lime softeners constitutes corrosion control. Lime softeners are not traditionally considered a corrosion control measure.

October 2: DHHS determines its study results are now consistent with Hurley findings, Gov. Snyder announces comprehensive action plan to address Flint water issues. State Budget Office approval to use carryover emergency funds and transfer of DEQ funds to purchase water filters.

October 2: Genesee County Health Department school screening water samples collected for analysis.

October 5: DHHS announces water filters will be available to the public on Oct. 6.

October 7: Flint Technical Advisory Board meets, recommends reconnection to Detroit water.

October 8: Gov. Snyder conducts press conference in Flint, where he Snyder publicly admits that there is a problem with Flint's water for the first time and announces plan to reconnect to Detroit water.

October 8: City of Flint develops plan to reconnect to DWSD.

October 15: Gov. Snyder signs bill authorizing funding for Flint to move back to Detroit water system.

October 16: City of Flint reconnects to DWSD.

October 19: DEQ Director Dan Wyant states: "Staff made a mistake while working with the City of Flint. Simply stated, staff employed a federal (corrosion control) protocol they believed was appropriate and it was not."

October 21: Gov. Snyder announces Flint Water Task Force to review state, federal and municipal actions, offer recommendations.

October 28: DEQ issues construction permit for additional corrosion control treatment.

December 9: Flint begins adding supplemental corrosion controls to the water.

December 29: Gov. Snyder takes action on initial findings from Flint Water Task Force.

2016

January 4: Genesee County Commission votes for emergency declaration.

January 5: Gov. Snyder declares emergency for Genesee County due to the ongoing health and safety issues caused by lead in the city of Flint's drinking water. This emergency declaration did not require any preceding emergency declaration by local authorities.

- *By declaring a state of emergency, The Governor has made available all state resources in cooperation with local response and recovery operations.*
- *The declaration authorizes the Michigan State Police, Emergency Management and Homeland Security Division (MSP/EMHSD) to coordinate state efforts.*
- *In addition to the emergency declaration, the Governor activated the State Emergency Operations Center to coordinate state departments, the state's response, resources, and relief and recovery activities.*
- *The SEOC is the emergency operations center for the state of Michigan. Located in Lansing, the center is overseen by the MSP/EMHSD and coordinates response and recovery efforts by state agencies and local government. The SEOC is staffed by members of state agencies and other partners for decision making and information coordination during disasters or emergencies in the state of Michigan.*
- *On Jan. 6, the Joint Information Center was opened to lead the state's messaging and information response in coordination with the local Emergency Operations Center, Genesee County, and the City of Flint.*

January 8: Gov. Snyder and Flint Mayor Weaver meet to discuss how city and state can work on water issues.

January 9: MSP Emergency Management Division announces water resource sites established in Flint with bottled water, filters and testing kits

FEMA/National Guard/Resources

- Governor has requested support from FEMA
 - Coordinate interagency recovery plan
 - Identify federal agencies that have programs, authorities, and technical expertise to assist
 - At this point there is not a federal declaration. FEMA is not currently sending supplies to this incident.
- In addition to requesting support from FEMA, the Governor has activated the Michigan National Guard to help our local volunteers distribute supplies at the five water resource sites.
 - The resource sites are open seven days a week from 9 a.m. to 9 p.m. at Flint fire stations.

- Fire Station #1 310 East 5th St. Flint, MI 48502
- Fire Station #3 1525 Martin Luther King Ave. Flint, MI 48503
- Fire Station #5 3402 Western Rd. Flint, MI 48506
- Fire Station #6 716 West Pierson Rd. Flint, MI 48505
- Fire Station #8 202 East Atherton Rd. Flint, MI 48507
- There are water resource teams going door to door to ensure every resident has a water filter and additional water resources
- Residents who need immediate help should call 211 or the governor's office at 517-335-7858
 - 211 is open 24/7/365
 - To assist the residents of Flint, Governor Snyder's office has committed ensure the constituent relations division will be open 7 days per week from 8 am until 5 pm until further notice.
- The Michigan State Police continue to lead the door to door mission of reaching every Flint resident. They are assisted by the Genesee County Sheriff's office, state of Michigan employees, and volunteers from organizations such as the American Red Cross.
- One of our top priorities is ensuring Flint residents know the resources that are available to them. We have used direct mail, automated calls, emails and bill boards to ensure residents know that information on water resources is available by calling 211 or visiting www.michigan.gov/FlintWater

Additional information

Corrosion Control

- On October 16, 2015 Flint returned to using water supplied by DWSD. The water supplied by DWSD is a finished product ready to use and already has phosphate added to it to assist with corrosion control.
- Recognizing that the level of phosphate in the water from DWSD was designed to be a maintenance dosage, the DEQ and the Flint worked together to bring online supplemental phosphate addition so as to speed up the rebuilding of the protective layer in the distribution system.
- The DEQ is now partnering with Flint, the U.S. EPA and other governmental entities to proactively identify bottlenecks so that the eventual switch from DWSD to the KWA can be done smoothly and with safety being the top priority.
- Even with similarities between DWSD and KWA water, precautionary measures are being taken.
 - These measures will include running the Flint Water Treatment Plant on a trial basis for a period of time without sending the water into the distribution system so that all of the treatment processes can be thoroughly evaluated.
 - In addition, bench top testing will be conducted to assist in determining how the Water Treatment Plant processes can be optimized.

- The KWA will be supplying raw water. This water will need to be treated by each of the respective water supplies.
- When KWA comes on line, Flint will be receiving raw water that is similar to the raw water that DWSD treats.
 - Flint will then need to operate the water treatment plant for an (as of yet) undetermined period of time.
 - Once Flint has demonstrated that it is capable of generating water with the desired background characteristics it will then be able to then send water to the distribution system.
- For non-Flint residents who want to test their water for lead – they can purchase a testing kit from DEQ for \$18 – details follow:
 - Anyone in Michigan who wants to test their water for lead can call the State Drinking Water Lab at 517-335-8184.
 - The lead testing kit costs \$18, which includes the sample bottle and instructions shipped to your home as well as the lab test. It does not include the cost of shipping your filled sample bottle back to the lab.
 - Depending on the lab workload, results are typically available within 1-2 weeks.
 - Your results will include information about the EPA's lead recommendations as well as contact information for your local health department, which can help you interpret your results further, if needed.