

Stanton, Terry A. (Treasury)

From: Weiss, Kurt (DTMB)
Sent: Wednesday, January 20, 2016 9:02 AM
To: Stanton, Terry A. (Treasury)
Subject: RE: Media request: Flint water savings -- \$5million?

Got it.

Kurt Weiss
State Budget Office
517-335-0050



From: Stanton, Terry A. (Treasury)
Sent: Wednesday, January 20, 2016 9:00 AM
To: Weiss, Kurt (DTMB)
Subject: Re: Media request: Flint water savings -- \$5million?

If it's about the current year budget, please send him to the city. They'd be in the best position to answer that.

TS

On Jan 20, 2016, at 8:08 AM, Weiss, Kurt (DTMB) <WeissK1@michigan.gov> wrote:

Terry, this looks more like an emergency manager question than a Roberts question. Okay if I send this guy your way? Or would you rather I direct him to the city?

Kurt Weiss
State Budget Office
517-335-0050
<image001.jpg>

From: Sara Jerving [<mailto:sara.jerving@vice.com>]
Sent: Tuesday, January 19, 2016 4:15 PM
To: Contact-SBO
Subject: Media request: Flint water savings -- \$5million?

Dear Mr. Roberts,

I hope this message finds you well. I am a researcher with Vice, which is a television show on the HBO network. We have a film crew covering the issue of lead contamination in Flint, and I am trying to make sense of reports that the City of Flint had a budget forecast of \$5 million over a two year period. I've been trying to see if these figures are accurate, and I'm wondering if they came from a draft of the 2016-2020 budget? I was trying to identify where in the budget these figures came from, and I saw that under the Water Fund on Page 26 of the budget, there is a section that says "ending unreserved fund balance" that accumulates to \$5.7 million in 2018 and 2019. Would this reflect the savings reported in the piece? Or am I looking in the wrong place? I'm also not sure if your office handles the Flint budget, or just the state budget?

Thank you very much for your time and help on this!

Very best,
Sara

--

SARA JERVING
Researcher, Vice on HBO

VICE
49 South 2nd St.
Brooklyn, NY 11249
p: 608-334-1342

Workman, Wayne (TREASURY)

From: Saxton, Thomas (Treasury)
Sent: Wednesday, January 20, 2016 3:20 PM
To: Byrne, Randall (Treasury)
Cc: Workman, Wayne (TREASURY); Schafer, Suzanne K. (Treasury); Stanton, Terry A. (Treasury)
Subject: RE: Timeline Follow-up Questions

So in re-reviewing the timeline are you guys good with the timeline other than the points I outlined/noted yesterday i.e., are there any other refinements?

From: Byrne, Randall (Treasury)
Sent: Wednesday, January 20, 2016 1:45 PM
To: Saxton, Thomas (Treasury)
Cc: Workman, Wayne (TREASURY) ; Schafer, Suzanne K. (Treasury) ; Stanton, Terry A. (Treasury)
Subject: FW: Timeline Follow-up Questions

Tom:

This is in response to your earlier email.

Randy

From: Heimann, Alexandr (TREASURY)
Sent: Wednesday, January 20, 2016 1:36 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Timeline Follow-up Questions

Hello Randy,

I have finished reviewing the follow-up questions that you sent to me, and after reviewing all of our documents, here are my responses:

Timeline questions follow-up

Response

1. Most of these dates involve DEP et al in which we/Treasury did not play a role i.e., someone else [DEQ] would need to confirm their accuracy
2. Just quickly, items we would question from the document or need to investigate further...
3. 12/20/12 (p.1) – we don't have the notification that is referenced
"The City of Flint notifies the Treasury that it is no longer considering using the Flint River as a water supply"
 - Cannot find documentation that this occurred.
 - During that time period, the Treasury was analyzing the report from Tucker and Young study, and had not even received a proposal from DWSD.

4. 3/29/13 (p.2) – we are not aware of any veto by Kurtz

“EM Kurtz Vetoes Flint City Council’s changes to the KWA resolution, and signs an executive order to join KWA”

- We were able to confirm that the City Council voted to connect to water from KWA
- No Executive Order was filed with the Treasury overriding the City Council’s changes to the KWA agreement, nor was there an Executive Order filed with the Treasury to join the KWA

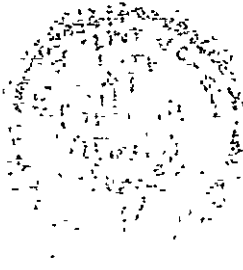
5. The early offers by DWSD to reconnect were rejected because of the add’l cost, they were long term and the fact the city had executed a contract with KWA. On Jan 12 ’15 they waived the reconnect fee but were still issues re length/term of commitment.

- Per Jerry Ambrose’s memo dated 3/3/15 (attached), the water from DWSD would still cost the city an additional estimated \$12M annually, which would have raised water rates by an additional 30%. As such, he strongly disagreed with restoring the water to DWSD at the time.

6. 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.

- No documentation was found to conclude that this study was funded by the Treasury.

Alexandr Heimann
Municipal Analyst
Local Government Financial Services Division
Michigan Department of Treasury
Office (517) 335-2434



CITY OF FLINT
OFFICE OF THE EMERGENCY MANAGER



Gerald Ambrose
Emergency Manager

TO: Wayne Workman, Deputy Treasurer
Treasury Department
State of Michigan

FROM: Jerry Ambrose, Emergency Manager
City of Flint

DATE: March 3, 2015

As the Emergency Manager for the City of Flint, I am charged with restoring the City government to financial solvency, and working to assure that the City moves forward on a financially sustainable basis. The steps taken over the past three years have been difficult. Taxes and fees have been raised, services and workforce reduced, and ongoing costs, including legacy costs, have been constrained.

The current controversy surrounding the provision of water, and the path for resolution, has a potentially significant impact on the progress that is being made. I am satisfied that the water provided to Flint users today is within all MDEQ and EPA guidelines, as evidenced by the most recent water quality results conducted for MDEQ. We have a continuing commitment to maintain water safety and to improve water quality, and have dedicated resources to assure this commitment will be made.

The oft-repeated suggestion that the City should return to DWSD, even for a short period of time, would, in my judgment, have extremely negative financial consequences to the water system, and consequently to the rate payers. By the most conservative estimates, such a move would increase costs by at least \$12 million annually, with that amount achieved only by eliminating virtually all budgeted improvements in the system. For a system with Unrestricted Assets of only \$740,745, according to the June 30, 2014 audited financial statements, the only recourse within the City's control would be to increase revenues significantly. And in my judgment, that would come from raising rates for water by 30% or more. Further, changing the *source* of the city's water would not necessarily change any of the *aesthetics* of the water, including odor and discoloration, since those appear to be directly related to the aging pipes and other infrastructure that carry water from the treatment facility to our customers.

This direction of discussion also deviates from what, in my judgment, should be the focus: How can we not only operate and maintain a system to assure the delivery of safe and quality water dependably, but significantly reduce the cost of water and sewer to the users? At an average of \$149 per month for water and sewer service for a residential user, the cost is extremely high in comparison to surrounding areas, as well as most areas across the state, and creates a significant financial burden for many users. In my judgment, we should all be concentrating on how to reduce rates by 50% or more. Unfortunately, there are no easy or evident answers, and continuation of the status will be an impediment to the sustainable recovery of the City of Flint. It is a conversation that I expect we will have with the recently created Water Quality Advisory Committee.

My reasoning for this conclusion is as follows:

One of the decisions made in the context of beginning to eliminate deficits and to restore financial stability to the City of Flint was to increase water and sewer rates significantly – the only choice available to financially stabilize a system that as of June 30, 2012, had a deficit of \$8,758,091. Another was to leave DWDS for the KWA because it offered the opportunity to lower future rate increases. A third decision was to utilize the Flint River on an interim basis when DWSD unilaterally terminated the City's contract for water purchase. That decision was made because it also offered an immediate cost savings opportunity which translated into the ability to upgrade the Water Treatment Plant without having to seek financing. It was a reasonable decision because of our experience in using the river in a back-up capacity, including test runs on a quarterly basis for several decades.

Unfortunately, the switch to the river as a primary source was more challenging than anticipated, and the harsh winter of 2013-2014 resulted in much more damage to the aging water infrastructure than in previous years. The result was the issuance of required notices that water exceeded established guidelines for safety as it could affect certain vulnerable populations, and some users of the system experienced unpleasant odors and discoloration. Some users also appeared to have had some negative reactions to the new source of water. However, as soon as the test results were known, City staff took immediate actions to address the concerns. These actions are evidenced today by the fact that MDEQ has certified that our most recent testing shows water from all testing sites to be well within acceptable guidelines. Additionally, the City is continuing to taking the necessary actions to assure that the water supply remains safe and that water quality continues to improve.

As the City has moved to address the situation, the suggestion continues to be made that the City should re-engage with DWSD and purchase water at least until the KWA pipeline is supplying water. As evidenced by the most recent letter from DWSD, such a decision would immediately increase the City's cost by \$846,700 per month, or \$10,160,400 per year, just for the fixed cost portion of the price. The actual *purchase* of water would be an additional fee, and dependent upon

Wayne Workman

March 3, 2015

Page 3

the quantity purchased. We estimate the actual water purchase cost to average more than \$1 million per month, for a grand total of approximately \$22 million per year. Finally, the DWSD offer is conditioned upon the City (or presumably the KWA) agreeing to negotiate a long term contract (30 years) for back-up.

The \$22 million annual estimate of increased costs to purchase water from DWSD would be minimally offset by an approximate \$3 million in reduced operating costs, and could be further offset by an additional \$9 million, but only if all funding for capital improvements to the system are eliminated. To eliminate all funding dedicated to repairing, stabilizing, and improving the system would be totally irresponsible and would have long term negative consequences to the City and to future rate payers.

As you are aware we have recently brought in outside expert assistance to evaluate the steps we have taken to assure that the water is safe and to continue to improve water quality. We are expecting specific recommendations within the next few weeks, and are committed to implementing those recommendations in a timely manner. Many steps have already been taken. I am confident that implementing their recommendations will assure a continuing supply of safe water as well as improved quality, and at far less cost than re-engaging DWSD.

We have also created a 40-member Water Advisory Committee and a 13-member Technical Advisory Committee to assure two-way communication with the public and users of the system. Those committees will begin to meet this week, and we look forward to answering their questions and receiving their input.

It is unfortunate that problems and concerns with quality have arisen, and we are working every day to address the issues that caused them. Maintaining safe water and improving quality is a top priority as we work to make the City of Flint an attractive place to live, work, study, and play.

Byrne, Randall (Treasury)

From: Byrne, Randall (Treasury)
Sent: Wednesday, January 20, 2016 10:55 AM
To: Schafer, Suzanne K. (Treasury) (SchaferS7@michigan.gov)
Subject: FW: Message from "RNP002673A81665"

Suzanne:

FYI,

Randy

From: Saxton, Thomas (Treasury)
Sent: Wednesday, January 20, 2016 10:34 AM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>; Cline, Richard (Treasury) <cliner1@michigan.gov>; Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Subject: FW: Message from "RNP002673A81665"

See the note(s) below... we do need to take a deeper dive to confirm some of the questions raised late yesterday. We should try to do so quickly. Thanks. Sorry for the rush.

From: Saxton, Thomas (Treasury)
Sent: Wednesday, January 20, 2016 10:31 AM
To: Posthumus, Dick (GOV) <Posthumusd@michigan.gov>; Khouri, Nick (TREASURY) <KhouriN@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Message from "RNP002673A81665"

Dick – we can 'run' those details down. We were under the impression we had a 5:00 deadline last night. But late yesterday our staff were not aware of the Kurtz veto i.e., we will double check.

What is the deadline?

From: Posthumus, Dick (GOV)
Sent: Wednesday, January 20, 2016 9:51 AM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: RE: Message from "RNP002673A81665"

I am going to include these changes in the timeline, but I need to know they are 100% accurate or we will be criticized by detractors. Are we sure Kurtz didn't veto the City Council changes to the KWA resolution?

From: Khouri, Nick (TREASURY)
Sent: Wednesday, January 20, 2016 7:01 AM
To: Posthumus, Dick (GOV) <Posthumusd@michigan.gov>
Subject: RE: Message from "RNP002673A81665"

Dick

Relied on Tom and Wayne Workman for the history

Here are their comments

- (1) Most of these dates involve DEQ et al in which we/Treasury did not play a role i.e., someone else [DEQ] would need to confirm their accuracy.
- (2) Just quickly, items we would question from the document or need to investigate further...
- (3) 12/20/12 (p.1) - we don't have the notification that is referenced
- (4) 3/29/13 (p.2) – we are not aware of any veto by Kurtz.
- (5) The early offers by DWSD to reconnect were rejected because of the add'l cost, they were long term & the fact the City had executed a contract with KWA. On Jan 12 '15 they waived the reconnection fee but there were still issues re the length/term of the commitment.
- (6) 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: 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 <sdurfee05@hotmail.com>

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

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 Wurfer 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.

Workman, Wayne (TREASURY)

From: Steckelberg, Larry (TREASURY)
Sent: Wednesday, January 20, 2016 5:27 PM
To: Workman, Wayne (TREASURY); Saxton, Thomas (Treasury)
Subject: update on Flint

We are in receipt of a narrative summary of the status of the unpaid accounts for Flint water. I spoke with Jody Lundquist at length this afternoon to let her know that we would have Suzanne and Cary share the cashflow format with her and work to clarify what we are asking her to provide. I expect Cary and Suzanne will discuss this first thing on Thursday and will talk with Jody about that format and her timeline of when she could provide the information. I should note that Jody was being conservative about her timeline so as to not under-deliver and is being careful to be as accurate as possible because she knows this information will be used at a high level and does not want to make mistakes. I will follow-up with Cary and Suzanne after the morning session with the Department leadership which should be around noon.

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

Stanton, Terry A. (Treasury)

From: Murray, David (GOV)
Sent: Wednesday, January 20, 2016 8:05 PM
To: Stanton, Terry A. (Treasury)
Cc: Biehl, Laura (GOV); Heaton, Anna (GOV)
Subject: Re: PRESS INQUIRY | The Guardian

Thank you, Terry.

Sent from my iPhone

> On Jan 20, 2016, at 7:47 PM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

>

> All--

>

> I can respond to this if you'd like.

>

> Regardless, I believe the most appropriate response is..."DM was referring to Treasurer Dillon's decision to approve the move to KWA, which was required under statutory provisions regarding contracts of \$60k or more."

>

> Terry

>

>> On Jan 20, 2016, at 7:09 PM, Ryan Felton <ryanfelton13@gmail.com> wrote:

>>

>> Hi all,

>>

>> I had a question regarding the emails that were released this evening. With regards to the attached email, what exactly is Muchmore referencing when he says Dillon made the "ultimate decision"? The decision for the city to use the Flint River or for it to use the KWA?

>>

>> I'd appreciate a reply at your earliest convenience.

>>

>> Thanks much,

>> Ryan

>>

>> <Image-1.jpg>

>>

>>

>>

>> Sent from my iPhone

Stanton, Terry A. (Treasury)

From: Stanton, Terry A. (Treasury)
Sent: Wednesday, January 20, 2016 10:04 PM
To: Ryan Felton
Cc: Murray, David (GOV); Biehl, Laura (GOV); Heaton, Anna (GOV)
Subject: Re: PRESS INQUIRY | The Guardian

Ryan...

Mr. Muchmore was referring to Treasurer Dillon's decision to approve the move to KWA, which was needed under statutory provisions regarding contracts of \$60k or more.

Terry

> On Jan 20, 2016, at 7:09 PM, Ryan Felton <ryanfelton13@gmail.com> wrote:
>
> Hi all,
>
> I had a question regarding the emails that were released this evening. With regards to the attached email, what exactly is Muchmore referencing when he says Dillon made the "ultimate decision"? The decision for the city to use the Flint River or for it to use the KWA?
>
> I'd appreciate a reply at your earliest convenience.
>
> Thanks much,
> Ryan
>
> <Image-1.jpg>
>
>
>
> Sent from my iPhone

Original Message-----

m: Muchmore, Dennis (GOV)

t: Friday, September 25, 2015 10:29 AM

Snyder, Rick (GOV)

Calley, Brian (GOV)

Scott, Allison (GOV) <scotta12@michigan.gov>; Agen, Jarrod (GOV) <AgentJ@michigan.gov>

ject: Flint water

issue of Flint water and its quality continues to be a challenging topic. The switch over to use Flint river water has rred most of the controversy and contention. The DEQ and DCH feel that some in Flint are taking the very sensitive ie of children's exposure to lead and trying to turn it into a political football claiming the departments are lorestimating the impacts on the populations and particularly trying to shift responsibility to the state.

have put an incredible amount of time and effort into this issue because of the impacted neighbors and their dren, and the KWA/DWSD controversy and Dillon's involvement in the final decision. Kildee is asking for a call with . That's tricky because he's sure to use it publicly, but if you don't talk with him it will just fan the narrative that the e is ducking responsibility. I can't figure out why the state is responsible except that Dillon did make the ultimate ision so we're not able to avoid the subject.

real responsibility rests with the County, city and KWA, but since the issue here is the health of citizens and their dren we're taking a pro-active approach putting DHHS out there as an educator.

not sure how much background you need on all this so I don't want to flood you with stuff. Jarrod and Dave have a of info that we can supplement your understanding and we can put a briefing or face to face with Wyant and Lyon if want to go there.

t from my iPhone

Workman, Wayne (TREASURY)

From: Heimann, Alexandr (TREASURY)
Sent: Thursday, January 21, 2016 9:20 AM
To: Saxton, Thomas (Treasury)
Cc: Schafer, Suzanne K. (Treasury); Workman, Wayne (TREASURY); Byrne, Randall (Treasury); Cline, Richard (Treasury)
Subject: RE: Timeline Follow-up

Hello Tom,

Randy and I have one more follow-up from our email yesterday:

"8. January 26, 2015 - CIP plan includes phosphoric acid to act as a corrosion control agent

- Does phosphoric acid act as a corrosion control agent? We know that the city is current using orthophosphate, but we will research what the usages are for phosphoric acid. "

It appears that phosphoric acid CAN indeed be used as a corrosion control agent.

Alexandr Heimann
Municipal Analyst
Local Government Financial Services Division
Michigan Department of Treasury
Office (517) 335-2434

From: Heimann, Alexandr (TREASURY)
Sent: Wednesday, January 20, 2016 5:15 PM
To: Saxton, Thomas (Treasury)
Cc: Schafer, Suzanne K. (Treasury) ; Workman, Wayne (TREASURY) ; Byrne, Randall (Treasury) ; Cline, Richard (Treasury)
Subject: Timeline Follow-up

Hello Tom,

Randy and I have just had a discussion about the Flint timeline, and we had some more feedback to add to the document that we distributed to you earlier.

1. November 29, 2011 Governor Snyder appoints Flint's first Emergency Manager, Michael Brown.

- According to our database, the first Emergency Manager was Kurtz appointed in 2002

2. March 25, 2013: Flint City Council votes in favor of switching to KWA, but alters the quantity of water purchased

- Can find documentation that confirms that they voted in favor of KWA, cannot find documentation that determines whether or not they changed the proposal first

3. April 12th, 2013 – State of Michigan approves the decision for Flint to join KWA

- Decision was actually April 11th, 2013

4. June 2013 – Flint notifies the DEQ to use the Flint River as a primary, and to operate the Water Plant full time

- Was able to confirm this with signed documentation

5. February 12, 2014 – DWSD writes a letter offering to continue to provide service to Flint after April 2014

- Cannot find documentation to support this in our records

6. Mid-March 2014 – City of Flint decides to use the Flint River as a water source

- Cannot find any formal document to support this, unclear what this decision is, the decision to switch to the Flint River seems to have been made long in advance of this.

7. January 12, 2015– DWSD offers Flint a waiver on \$4M reconnection fee

- Cannot find documentation to support this in our files

8. January 26, 2015 - CIP plan includes phosphoric acid to act as a corrosion control agent

- Does phosphoric acid act as a corrosion control agent? We know that the city is current using orthophosphate, but we will research what the usages are for phosphoric acid.

9. March 23rd, 2015 – Flint City Council votes to return to DWSD Water

- We don't have this City Council decision on file

Please let us know if you have any questions or concerns with this feedback.

With regard,

Alexandr Heimann
Municipal Analyst
Local Government Financial Services Division
Michigan Department of Treasury
Office (517) 335-2434

Pleyte, Beth (Treasury)

From: Kester K. So <KSo@dickinson-wright.com>
Sent: Thursday, January 21, 2016 1:31 PM
To: Donner, Lee (ldonner@firstsw.com); Anne Burger Entrekin
(Anne.BurgerEntrekin@firstsw.com)
Cc: Saxton, Thomas (Treasury)
Subject: Use of SRF to replace lead service lines CONFIDENTIAL
Attachments: Eligibility of Lead Service Line Replacement MEMO 2012-2013.pdf

Here is a copy of the EPA memo. It may have been issued in the 2012 to 2013 time frame.

Kester K. So Member

215 S Washington Square Phone 517-487-4722
Suite 200
Lansing MI 48933 Fax 517-487-4700
Email KSo@dickinsonwright.com
[Profile](#) [V-Card](#)

DICKINSON WRIGHT PLLC

MICHIGAN ARIZONA KENTUCKY NEVADA OHIO TENNESSEE WASHINGTON D.C. TORONTO

The information contained in this e-mail, including any attachments, is confidential, intended only for the named recipient(s), and may be legally privileged. If you are not the intended recipient, please delete the e-mail and any attachments, destroy any printouts that you may have made and notify us immediately by return e-mail.

Neither this transmission nor any attachment shall be deemed for any purpose to be a "signature" or "signed" under any electronic transmission acts, unless otherwise specifically stated herein. Thank you.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

MEMORANDUM

SUBJECT: Eligibility of Replacement of Lead Service Lines on Private Property Under the DWSRF.

FROM: Joanne Hogan
Attorney- Advisor
Civil Rights and Financial Law Office
Office of General Counsel

THROUGH: Wendel Askew
Assistant General Counsel
Civil Rights and Financial Law Office
Office of General Counsel

Ken Redden
Deputy Associate General Counsel
Civil Rights and Financial Law Office
Office of General Counsel

TO: Peter Shanaghan
Team Leader
Drinking Water State Revolving Fund Team
Office of Ground Water and Drinking Water, Office of Water

Question Presented.

You have asked whether financial assistance from a State's Drinking Water State Revolving Loan Fund can be used by eligible entities to fund projects that involve replacing lead service lines that may be on private property and that connect to private dwellings.

Brief Answer

We believe that lead service line projects, regardless of the ownership of the property on which the pipe is placed, may be funded by a State's DWSRF so long as the loans are made to an eligible entity and all other requirements of the DWSRF are met.

Analysis

The statute and the regulatory provisions governing the use of State DWSRF funds, though defining which entities may receive funds, do not require the Public Water System to have control over all portions of a project that is funded by the DWSRF. Congress gave EPA's Administrator the clear authority to determine which projects would be eligible under §1452: "Financial assistance. . . may be used. . . only for expenditures of a type or category which the Administrator has determined, through guidance, will facilitate compliance with national primary drinking water regulations." PHSA §1452 (a)(2). The only broad statutory limitations on the types of projects that cannot be funded are projects which include monitoring, operation, or maintenance expenditures, or projects for the acquisition of real property unless the purchase is made from a willing seller and the acquisition is integral to the project.

40 CFR §35.3520 (b)(2) sets forth the categories of projects that can be funded by a DWSRF. This provision includes the transmission and distribution of water to be a category of eligible projects. Specifically, the regulation provides examples of such projects to include: "installation or replacement of transmission and distribution pipes to improve water pressure to safe levels or to prevent contamination caused by leaks or breaks in the pipes." See 40 CFR §35.3520 (2)(ii).

Lead pipes can contaminate water at any point, including on its way to a private home. Allowing a public water system to use its funds to replace such pipes is consistent with this allowable category of projects, and is similarly consistent with the overall health protections of the Safe Drinking Water Act. See PHSA 1452 (a)(1)(A). Note that if a Public Water System wishes to purchase and retain an easement so that it maintains control of such infrastructure, that purchase is authorized as well: "Funds shall not be used for real property or interests therein unless the acquisition is integral to the project authorized... and the purchase is from a willing seller. . ." PHSA 1452(a)(2).

This determination that replacement of lead pipes on privately owned property is an eligible project cost so long as it otherwise complies with the PHSA is consistent with prior approved eligible projects, such as water efficiency projects, that do not require all elements of a project to be under the control of a Public Water System. In a Memorandum dated July 25, 2003, then Assistant Administrator for Water G. Tracy Mehan III informed Water Division Directors in the regions that projects such as the installation or retrofit of plumbing fixtures and appliances, installation of water meters, and implementation of incentive programs to conserve water, such as rebates or conservation rate structures were all eligible projects under the DWSRF. Therefore, so long as the assistance is given to an eligible entity, and the project otherwise meets the requirements of the DWSRF, the project may be funded regardless of ownership or control of the resulting infrastructure.

Workman, Wayne (TREASURY)

From: Stanton, Terry A. (Treasury)
Sent: Thursday, January 21, 2016 10:33 AM
To: Byrne, Randall (Treasury)
Cc: Workman, Wayne (TREASURY); Saxton, Thomas (Treasury)
Subject: RE: Question on Veolia study on Flint water from March 2015

Thanks

From: Byrne, Randall (Treasury)
Sent: Thursday, January 21, 2016 10:31 AM
To: Stanton, Terry A. (Treasury)
Cc: Workman, Wayne (TREASURY) ; Saxton, Thomas (Treasury)
Subject: Re: Question on Veolia study on Flint water from March 2015

Terry:

The City hired Veolia to help them resolve the TTHM problem.

Randy

Sent from my iPhone

On Jan 21, 2016, at 10:03 AM, "Stanton, Terry A. (Treasury)" <StantonT@michigan.gov> wrote:

Thanks.

From: Workman, Wayne (TREASURY)
Sent: Thursday, January 21, 2016 10:01 AM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Re: Question on Veolia study on Flint water from March 2015

Flint retained them and got the final report

Sent from my iPhone

On Jan 21, 2016, at 10:00 AM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

All...

See below. Didn't the city contract for the Veolia study? Seems best to direct Jacob there, yes?

From: Jacob Kanclerz [<mailto:jacob@mirsnews.com>]
Sent: Thursday, January 21, 2016 9:57 AM

To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: Question on Veolia study on Flint water from March 2015

Terry,

I wanted to see if you could provide me some more context on what looks like a third-party study on Flint water that was conducted for EM Jerry Ambrose by Veolia in March 2015. I found this as part of the emails the Governor released yesterday.

The study starts on pg. 151 (I would attach the PDF but it is too large to send, I trust you have access to these emails).

I just wanted to see if you could provide the backstory on this -- who initiated the study, what was the goal and were any of the recommendations implemented in Flint? Let me know more when you get a chance today. Thanks!

--

Jacob Kanclerz
Reporter, MIRS News
Office: 517-482-2125
Cell: 810-923-8235
Twitter: @jacobkanclerz

Stanton, Terry A. (Treasury)

From: Jacob Kanclerz <jacob@mirsnews.com>
Sent: Thursday, January 21, 2016 10:52 AM
To: Stanton, Terry A. (Treasury)
Subject: Re: Question on Veolia study on Flint water from March 2015

Ah OK, I'll see what I can do. I just saw it was addressed to Mr. Ambrose and was forwarded from Treasury to Muchmore, so I thought I would try to loop you guys in on this. Thank you though.

On Thu, Jan 21, 2016 at 10:34 AM, Stanton, Terry A. (Treasury) <StantonT@michigan.gov> wrote:

Jacob...

It is my understanding the City of Flint retained Veolia for the study and received the final report. I believe it was done as a result of the TTHM issue in Flint water. You should contact the city.

Terry

From: Jacob Kanclerz [mailto:jacob@mirsnews.com]
Sent: Thursday, January 21, 2016 9:57 AM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: Question on Veolia study on Flint water from March 2015

Terry,

I wanted to see if you could provide me some more context on what looks like a third-party study on Flint water that was conducted for EM Jerry Ambrose by Veolia in March 2015. I found this as part of the emails the Governor released yesterday.

The study starts on pg. 151 (I would attach the PDF but it is too large to send, I trust you have access to these emails).

Steckelberg, Larry (TREASURY)

From: Jody Lundquist <jlundquist@cityofflint.com>
Sent: Thursday, January 21, 2016 11:49 AM
To: Steckelberg, Larry (TREASURY)
Cc: Natasha Henderson; Workman, Wayne (TREASURY); Byrne, Randall (Treasury); Cline, Richard (Treasury)
Subject: Fwd: Water rates and shut off notices

Per Ms. Henderson, I am forwarding this correspondence for additional context and information relating to the City's current position on water rates and shut off notices.

Please let me know if you have any additional questions.

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

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

From: Jody Lundquist <jlundquist@cityofflint.com>
Date: Sun, Jan 17, 2016 at 7:48 PM
Subject: Water rates and shut off notices
To: Natasha Henderson <nhenderson@cityofflint.com>
Cc: Anthony Chubb <achubb@cityofflint.com>, Karen Weaver <kweaver@cityofflint.com>

Good evening, Ms. Henderson.

I sent you an email this afternoon regarding the media coverage on the City's intent to begin issuing shut off notices effectively immediately. At this point in time, I have not given such an instruction to Treasury staff nor provided them with a rate schedule to restore water and sewer rates to their pre-injunction amounts. However, there are a number of matters for which I must make you aware.

Water Rates

On August 17, 2015, Honorable Judge Archie Hayman issued a preliminary injunction order requiring the City to reduce its water and sewer rates. Billing was postponed for a number of weeks while the City awaited an opinion from the Court of Appeals. Having not received a stay, the City moved forward with implementing the reduced rate structure and regular monthly billing resumed on September 1, 2015.

On Monday, January 11, 2016, the Judge signed an amended preliminary injunction order restoring the City's water and sewer rates to those set by the master fee schedule as adopted by emergency manager order. City Council and RTAB approved a first quarter budget amendment recognizing the reduced revenue resulting from the rates currently in effect as ordered by the original preliminary injunction order. The court-ordered rates result in rates being insufficient to meet the operations, maintenance, and bond obligations necessary to fulfill

the requirements as set forth in the Revenue Bond Act, however the budget amendment authorized the use of unrestricted fund balance to offset the gap between rates and revenue requirements.

If the City were not to restore rates pursuant to the master fee schedule, the budget has already been updated accordingly. However, I request that the legal department provide an opinion as to the City's obligation to restore the EM adopted rates as failure to do so may be a violation of PA436. Not doing so, would require further action to set a new master fee schedule.

I would also note that with the current financial position of the City, this method of subsidizing insufficient rates cannot be maintained past the end of this fiscal year.

Shut off Notices

The preliminary injunction order prohibited the City from performing shut off notices on delinquent balances prior to the implementation of the reduced rates. Upon receiving the verbal order on August 7, 2015 the City immediately ceased disconnection of service for non payment. When the reduced rates became delinquent in October, the City worked through some administrative hurdles to "set aside" the balances outstanding prior to September 1 when regular billing resumed. In November the City held a press conference announcing that shut off notices were going to resume. (At the time, lead was not as widely present in the media coverage.) The last cycle to be sent shut off notices were mailed on or around 12/9 with a due date of 12/29/2015. Processing of additional notices was then postponed in consideration of the holidays.

No disconnection for nonpayment of an active account has occurred since August.

The City has seen a dramatic decline in its collection rate since August. As with any utility, the City performs shut offs to enforce timely payment. The Finance and Treasury Departments have been reviewing the financial impact of the reduced billed revenue and decrease in collections on a regular basis. In August the City's collection rate was 99%. With the issuance of shut off notices, the City received in payments each month approximately the same amount that it billed although payments were often trailing. For instance, many customers were constantly in a state of delinquency, but they were at least coming in each month and making a payment.

Without the issuance of shut off notices, the City's collection rate fell to 70% in October before increasing (through issuance of shut off notices) to 89% in December. Average collection rate for the period August to December has now fallen to 84%.

As I noted in my previous email, there is an incredible amount of media attention and public outcry regarding the City's policy on shutting off service for nonpayment of "poisonous" water. This does NOT absolve the City from state law or its responsibility to maintain a functional water and sewer system. Rates and enforcement of payment are necessary in order to ensure we have the resources to maintain the system unless financial support is going to be provided from an external entity.

While we may have some time as we request financial assistance from the State and Federal government and review both our policy and legal positions, we must be considerate of our obligations to the system and long term financial stability of the City. Per our conversation, Treasury has been instructed not to take any action at this time and will wait until further notice to update the rate schedule and issue shut off notices.

Thank you for your time and consideration of these matters. Please let me know if you have any questions or would like any additional information.

Best regards,

Cline, Richard (Treasury)

From: Dostine, Patrick (TREASURY)
Sent: Thursday, January 21, 2016 11:57 AM
To: Cline, Richard (Treasury)
Subject: FW: Ver. 2 Flint call notes
Attachments: Call 1-20-16.docx

Eric

See Randy's email below. Perhaps we can discuss when we talk later about AP.

From: Byrne, Randall (Treasury)
Sent: Thursday, January 21, 2016 10:38 AM
To: Dostine, Patrick (TREASURY) <DostineP@michigan.gov>
Cc: Cline, Richard (Treasury) <cliner1@michigan.gov>
Subject: Re: Ver. 2 Flint call notes

Pat:

I am OK with this. Discuss with Eric, then send to Suzanne and Wayne.

Thanks,
Randy

Sent from my iPhone

On Jan 20, 2016, at 4:16 PM, "Dostine, Patrick (TREASURY)" <DostineP@michigan.gov> wrote:

Randy

Attached are Alex's notes with some minor edits from me. -- Pat

Patrick Dostine

State of Michigan
Department of Treasury
Local Government Financial Services Division
Cadillac Place
3044 W Grand Blvd
Detroit, MI 48202
(office) 313.456.1772
dostinep@michigan.gov

CONFIDENTIALITY NOTICE: This e-mail, and any attachments, is for the sole use of the intended recipient(s) and may contain information that is confidential and protected from disclosure under the law. Any unauthorized review, use, disclosure, or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail, and delete/destroy all copies of the original message and attachments.

Flint
Weekly Phone Call
01/20/16

Present:

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

Not Present:

Mayor Weaver (Flint)

1. Water Update:

Water, Lead Test Kits, and Filter Distribution Update:

- ~~Councilor~~ Council President Nelson has been uplifted by the significant donations of water, filters, and volunteers to help distribute water
- The City has a partnership with the MTA to distribute water to people who are homebound, or who lack transportation to retrieve water on their own.
- The City has been strained financially and operationally in its response to the emergency, by this process. Henderson also said, "It's becoming a really big strain for staff." ~~N-Henderson suggests said that the city has had to utilize~~ is using significant Public Safety and Sanitation resources that have either
 - o ~~Accrue additional~~ unbudgeted financial costs to the city, as is the case with their like its sanitation contractor being dispatched to fire stations to clean-up from distribution efforts, or
 - o ~~Remove-Borrow city limited resources that are needed in other areas. N-~~ Henderson told an anecdote about how the city ~~wanted to place a police officer by all of the fire stations to help manage traffic (which is where water distribution is happening) and that they could not justify removing officers from their duties in the neighborhoods where crime is a problem. to help manage traffic.~~
- ~~N-Henderson expressed interest in getting said Flint needs to be reimbursed for the additional expenses that the city is accruing. Asked the Treasury participants on the call to help if there is "anything that we can do about that". Said that she has been keeping a record of how much this has cost the city, and will be sending that document to E. Cline from Treasury.~~
- Deloitte has offered to help the city with crisis management. They are sending in (3) consultants, and one of them has worked with cities to manage the aftermath of hurricane Katrina.

Water Billing/Water Fund

- N-Henderson stated that the City was attempting to combat false information about water bills.
- The city says that "the judge's ruling" allows them to send out water shut off notices, but they currently are not doing so.
- People are still not paying their water bills, the city suggests that part of the reason is that there is so much confusion about the bills, especially around whether or not the state is going to pay for the past-due bills from when the water was tainted with lead, which the city suggests is the common conception. The city expressed concern that they did not find money to pay-off delinquent water bills in the Governor's Supplemental Budget.
- The water usage rate has not decreased since the news broke about the lead.

Water Operations

- The city is working to formalize a plan to connect the city to its neighboring communities to back up each other's water supply. This plan would cost \$6.4 Million, but N-Henderson feels confident that the city would only be responsible for paying a portion of the costs. This plan would serve two purposes:
 - o It would prevent the city from having to spend an estimated \$3.1M to build a temporary above ground water line for testing the connection to the KWA
 - o It would allow the city to use its neighbors for a water supply backup and not have to rely on the Flint River as a back-up source
- Efforts to control the corrosion from city water are going well. N-Henderson ~~suggests~~ said that they have been doing field testing of water, and that lead levels are decreasing.

Drinking Water Emergency Loan Fund

- The city intends to apply for this fund, and hopes that a portion of this loan money is forgivable.
- The city's proposal would likely be \$25M annually (the maximum is \$15M according to the city) for (5) years, at a total of \$125M
- Would be working on public and private infrastructure by prioritizing areas in the highest need of infrastructure improvement. The city knows, for example, where water sits in the system. Areas like those would be targeted for these monies.
- The city is aware that their initial estimates of over a billion dollars to replace all lead infrastructure is an unrealistic request
- The city has already conducted a Reliability and Sanitary Sewer study, which they say is a requirement of the application
- Their data suggests that the city has about 600 Miles of water infrastructure, but their engineering consultant suggests that this number might be 100 Miles low

2. Other issues

Police and Fire Department updates

- There is not much to report in crimes, the city is about at where it would expect to be at this point in the year
- Fire stations are being utilized as water and filter distribution centers

Shears v Flint

- The \$15M transfer from the Sewer Fund has been resolved. The City Council voted to approve that transfer, and now it is awaiting RTAB approval.

Steckelberg, Larry (TREASURY)

From: Jody Lundquist <jlundquist@cityofflint.com>
Sent: Thursday, January 21, 2016 7:51 PM
To: Vaughn, Cary J. (Treasury)
Cc: Natasha Henderson; Steckelberg, Larry (TREASURY); Workman, Wayne (TREASURY)
Subject: Re: DRAFT 18 Month Cash Flow Attached
Attachments: City of Flint 18 Mo. Water Cash Flow 1-21-2016 jnl v2.pdf; City of Flint 18 Mo. Water Cash Flow 1-21-2016 jnl v2.xlsx

Good evening, Cary.

Please find responses to each of your inquiries below:

1. As noted in the assumptions narrative, the activity shown summarized total recorded debits and credits to the GL and NOT actual cash receipts and disbursements. I have removed this completely so as not to give any other user a false impression of cash receipts and disbursements being greater than they were. In response to your question, during the months of September and October the City recorded a number of entries as it implemented various components required by the Preliminary Injunction Order. Among these requirements was to separate water and sewer cash accounts from pooled cash. The debit and credit activity reflected journal entries among which the establishment of these accounts were recorded. In the process of doing so, my staff posted, reversed then corrected such an entry.

2. For the "As budgeted" tab, you are correct. Annualized receipts and disbursements differ from total budget. If you unhide columns B-D on either tab, you will find the underlying Budget, YTD Activity and Available Balances for the Fund through 12/31/2015. For revenues, \$28.3 million was budgeted. As a result of the Preliminary Injunction Order, the City had to "set aside" over \$10.2 million in billed water and sewer revenue. When the Utility Billing Department posted these changes to the customer accounts, it reversed current year billed revenue recorded to our GL. This was taken into account for the RTAB reports submitted to the State yesterday. It appears that the AJE has not been posted yet. I have adjusted YTD activity shown on this report accordingly. Even as such, with 50% of the year complete the City is slightly below its revenue projection. Projected revenue was reduced with the first quarter budget amendment based upon estimates and early assumption immediately following issuance of the Preliminary Injunction Order. The lower projected revenue is included in the amended budget amounts. As we continue to analyze the ongoing impact of the order on billed revenue and collections, further adjustment may be reflected in future quarterly amendments.

Similar to revenue, as of 12/31/2015 only 33% of total expenditures had been recorded. This would leave approximately two-thirds of the total budget to be expended during the remaining 6 months of the fiscal year. Annualizing the monthly amounts shown does not make sense in this case. As discussed, there are items within the budget that may not be equally divided over a 12-month or even 6-month period. Capital expenditure and debt service payments for instance, may be paid in lump sums. Total budgeted depreciation for the water fund is \$1.5 million. I have removed depreciation from Water Plant Operations line for now so that net cash flow will reflect this item as removed.

3. Debt service payments are reflected by the line item "Transfers out to fund 493".

Again, this is a rough draft for your review and remains a document in progress. As I begin to populate actual cash receipt and disbursement activity for July 1-December 31, 2015, the line item descriptions shown may be

subject to change. If anything, they will be more detailed as opposed to less and I will do my best to mirror the audit. I will touch base with you again tomorrow to discuss this further.

Please let me know if you have any additional questions, comments or concerns regarding the revised report and information provided.

Thanks,

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 Thu, Jan 21, 2016 at 5:38 PM, Vaughn, Cary J. (Treasury) <VaughnC2@michigan.gov> wrote:

Jody,

Thank you for getting me this information so quickly. I appreciate your understanding related to the necessity of getting it under such a short timeline. This is very helpful. I have a few questions for you though.

1. It looks like September and October of 2015 had unusually high receipts and disbursements. Please explain those higher numbers.
2. I annualized the average receipts and disbursements projections for January 2016 through June 2016 and it calculates to be yearly receipts of \$40 million and disbursements of \$63.36 million (does not include noted transfers out). Your 2015 audit shows annual revenues to be \$33.8 million and expenses to be \$20.6 million (which includes depreciation that would not be included on the cash flow). What is the reason for the higher projections going forward in broad terms?
3. Where are the debt service payments reflected?

As discussed, please go forward with filling in the detail for the actual numbers for July through December 2015 as well as the projections of July through December 2016. You also mentioned that you would tweak the numbers by estimating more closely the monthly flow instead of evenly spreading the estimates. That would be good.

Thanks for your help! It's nice to work with you again. If I or anyone here at Treasury can be of assistance including coming to Flint for whatever reason, let me know.

cary

From: Jody Lundquist [mailto:jlundquist@cityofflint.com]
Sent: Thursday, January 21, 2016 4:12 PM
To: Vaughn, Cary J. (Treasury) <VaughnC2@michigan.gov>

Cc: Natasha Henderson <nhenderson@cityofflint.com>

Subject: DRAFT 18 Month Cash Flow Attached

Cary,

Please find attached a draft 18-month cash flow with the preliminary formatting and content assumptions that we discussed this morning.

I'd like to highlight the following two matters:

1. The "As Budgeted" projection is overly optimistic as it includes the 5% increase as originally projected in the EM Adopted FY16 and FY17 Budget. Further, it continues to (falsely) assume a near 98% collection rate. Both tabs include the same assumptions for the remaining FY16 expenditures.
2. Although the emergency was declared over a water crisis, the impact of the preliminary injunction order affected rates and collections for both the Water AND Sewer funds and the further decline in collections as a result of public perception over water impacts sewer equally as the City issues combined utility bills.

If the State is to provide support for the Water Fund, I would implore them to consider the devastating impact this is having on the Sewer Fund as well. Indeed, the large majority of capital improvement projects eliminated with the City's 1st quarter budget amendment were from sewer. If financial support as a result of the combined billing process of the City is not an option for the State, then we will absolutely need the State and elected officials support for billing sewer separately and forcefully pursuing non payment, otherwise both funds will go under.

Please let me know if you have any questions regarding the information as shown. I am stepping into a meeting but should be available around 4:45 to discuss.

As always, it is a pleasure working with you.

Best regards,

Jody N. Lundquist

Sanders, William (TREASURY)

From: Steckelberg, Larry (TREASURY)
Sent: Thursday, January 21, 2016 4:46 PM
To: Schafer, Suzanne K. (Treasury); Vaughn, Cary J. (Treasury)
Subject: FW: Summary of Water Crisis Financial Needs
Attachments: Summary of Water Crisis Financial Needs 1.15.16.xlsx

forwarding

From: Jody Lundquist [mailto:jlundquist@cityofflint.com]
Sent: Thursday, January 21, 2016 11:45 AM
To: Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Cc: Natasha Henderson <nhenderson@cityofflint.com>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>; Cline, Richard (Treasury) <cliner1@michigan.gov>
Subject: Fwd: Summary of Water Crisis Financial Needs

Good morning, Mr. Steckelberg.

On behalf of City Administrator Henderson, I am forwarding the draft summary of financial needs provided to the Governor on January 15, 2015. As we discussed on our call yesterday, an estimate of collections resulting from the 35% 9/16/2011 rate increase is included. The City received in total payments for the period October 2011 through July 2012 approximately \$46 million for all Water and Sewer rates and charges. Of that approximately 35% or \$16.1 million would have been a direct result of the rate increase (35% x \$46,000,000).

This summary of financial impact is in the process of being updated further as two more class action lawsuits have now been filed against the City as a result of lead allegations. We are also experiencing a tremendous threat to our IT security causing a number of increased costs in order to mitigate ongoing attacks by Anonymous and other such organizations.

Please let me know if you have any questions regarding the information included in this summary.

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

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

From: Natasha Henderson <nhenderson@cityofflint.com>
Date: Fri, Jan 15, 2016 at 10:29 AM
Subject: Summary of Water Crisis Financial Needs
To: Jody Lundquist <jlundquist@cityofflint.com>, Anthony Chubb <achubb@cityofflint.com>

This is Jody on Natasha's computer.

Please find attached the updated draft of the financial needs summary.

I have not had a chance to include the capital improvement projects that were suspended across the City's other funds as a result of the spending freeze following the judge's preliminary injunction order (i.e. facilities improvements, IT upgrades, and vehicle/equipment purchases).

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

**CITY OF FLINT
SUMMARY OF WATER CRISIS FINANCIAL NEEDS**

Shears v. City of Flint Litigation

Description	Amount
Loss in monthly billed revenue The Preliminary Injunction Order issued by Honorable Judge Archie Hayman on August 17, 2015 required the City to reduce water and sewer rates to exclude the September 16, 2011 rate increases. This resulted in a loss of monthly billed revenue of approximately \$616,000 per month for approximately 5 months.	\$ 3,080,000
Loss in monthly revenue collections As a result of the City's inability to enforce payment through shut offs, which was later accelerated by the declaration of the water emergency, the City's collection rate has fallen from 98% in August to 75% in November before improving slightly in December. The average collection rate for the period August to December is now 84%. The City issued its first round of shut off notices in November but has not resumed processing as of January 14, 2015. No disconnection of service for nonpayment on active accounts has occurred since August 2015. Based on the reduced average monthly billed revenue of \$4.6 million and the increased delinquency rate, the City's allowance for uncollectible accounts must be increased. The collection rate is expected to remain low until shut off notice processing is resumed and processed consistently. (\$4.6 million x 15% x 7 months)	\$ 4,830,000
Loss due to uncollectible delinquent accounts at August 17, 2015 The original preliminary injunction order enjoined the City from disconnecting any accounts for non payment for which the delinquency arose between September 16, 2011. This effectively forced the City to set aside approximately \$10.9 million in outstanding customer balances as uncollectible.	\$ 10,890,947
Rate increase for the period September 16, 2011 through June 30, 2012 Judge Hayman has stated in open court that the rate increase from September 16, 2011 to June 30, 2012 was illegal. While a ruling regarding this matter is anticipated, the increase to rates and charges during that time period resulted in approximately \$15 million of billed revenue. Should the judge order the City to repay these billings or provide credits to customer accounts in that amount, the City's current revenue will need to offset this enormous cost. Collections for the period October 2011-July 2012 for which the September 16, 2011 rate increase would have been billed in received total \$46 million. Refunding the amount of collections during that period resulting from the rate increase will cost the City over \$16 million.	\$ 16,100,000
Capital Improvement Projects removed from Fiscal Year 2016 Budget As a result of the immediate and drastic impact of the preliminary injunction order, the City issued a spending freeze for all non-critical items. In order to offset the reduction in billed revenue and collections, the City reviewed its capital improvement plan and cancelled or postponed nearly all projects with the exception of those necessary to prepare for the Karegnondi Water Authority (KWA). The removal of \$3.9 million and \$1.7 million in planned capital improvement projects for the Sewer and Water funds, respectively, were included in the adopted FY16 First Quarter Budget Amendments.	\$ 5,600,000
Legal costs associated with litigation The State has agreed to reimburse the City 75% of legal costs associated with this litigation not to exceed a total reimbursement of \$300,000. Total legal expense of representation by external legal counsel is anticipated to reach \$600,000 leaving a gap of \$300,000 borne entirely by the City. (25% of the first \$400,000 = \$100,000 plus an additional \$200,000 through final ruling)	\$ 300,000
TOTAL FINANCIAL IMPACT OF SHEARS V. CITY OF FLINT LITIGATION	\$ 40,800,947

**CITY OF FLINT
SUMMARY OF WATER CRISIS FINANCIAL NEEDS**

Declaration of State of Water Emergency

Description	Amount
Additional Corrosion Control Procedures Implementation of the additional corrosion control procedures totaled approximately \$45,000 and is being maintained at an estimated cost of \$100/day (\$45,000 + \$100/day x 365 days/year x 5 years)	\$ 227,500
Purchase of DWSD Water The City expended \$2 million towards the \$10 million escrow required by the Detroit Water and Sewage Department (DWSD) to resume purchasing water through June 30, 2016. It is expected that the City will need to continue purchasing water from Great Lakes Water Authority (formerly DWSD) for an additional three months until the City is ready to begin receiving water through KWA.	\$ 6,000,000
Backflow system necessary for testing and future back flow supply As a result of switching the City's water supply to DWSD, the pipe that would have been used to transport raw water from Lake Huron to the City's water plant is in use. The City must develop an alternate path from which to receive water during the period for which raw water must be tested prior to full conversion to KWA as the City's water supplier.	\$ 6,342,326
PSI contractor for locating and mapping lead lines Historical data maintained by the City is incomplete and inaccurate. A third party contractor has been engaged to assist in locating lead lines and testing water samples obtained from those sites. Additional services may include integrating the results of their efforts with the City's GIS maps.	\$ 75,000
University of Michigan for data compilation The University of Michigan has agreed to assist the City in its efforts to compile historical data on the location of lead lines and any additional data obtained through the course of this emergency.	\$ 3,600
Excavation of residential service lines The excavation of 6 residential services lines is necessary for additional testing (\$5,000/line x 6 lines)	\$ 30,000
Replacement of service lines Replacement cost included in other estimates provided to the State of Michigan detailed each residential line to cost \$1,500 to replace. (\$1,500/line x 15,000 lines)	\$ 22,500,000
8" residential water mains and 24" transmission mains It is estimated that there are approximately 600 miles of 8" residential lines and 60 miles of 24" transmission mains needing replacement. Preliminary estimates place replacement of residential lines at \$145 per foot and \$800 per foot for transmission mains. (\$145/foot x 600 miles x 5,280 feet/mile plus \$800/foot x 60 miles x 5,280 feet/mile)	\$ 712,800,000
Loss of monthly County backup revenue (\$40,000/month x 9 months) As a result of the media coverage and declaration of a health emergency, Genesee County has decided to discontinue its contractual payment to the City per its backup agreement. The City has not received payment since September 2015. Assuming another agreement for backup supply is negotiated with Genesee County, \$360,000 in revenue adopted in the City's FY16 budget will be lost or remain uncollectible without litigation.	\$ 360,000
Fire Department overtime The Fire Department is now operating an additional fire station as a distribution center 7 days per week. With the necessity to designate staff to the EOC and overseeing distribution at each of the other sites, overtime costs are being incurred daily (\$2,000/day x 180 days)	\$ 360,000
PTO's for counter (\$3,000/month x 6 months) In order to carryout staffing of the EOC and distribution counter at City Hall, civilian staff within the police department has been assigned to fulfilling this specific function. Additional wages are estimated at \$3,000 per month. (\$3,000/month x 6 months)	\$ 18,000
TOTAL FINANCIAL IMPACT OF DECLARATION OF WATER EMERGENCY	\$ 748,716,426

Workman, Wayne (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Friday, January 22, 2016 10:20 AM
To: Saxton, Thomas (Treasury); Steckelberg, Larry (TREASURY); Koryzno, Edward (Treasury)
Subject: Fwd: Water Emergency Response Invoice to State
Attachments: Water Emergency Expenses Invoice - Reimbursement Request.pdf; ATT00001.htm

I don't think this belongs to us probably budget for state police. Could be the supplemental

Sent from my iPhone

Begin forwarded message:

From: "Jody Lundquist" <jlundquist@cityofflint.com>
To: "Steckelberg, Larry (TREASURY)" <SteckelbergL@michigan.gov>
Cc: "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>, "Cline, Richard (Treasury)" <cliner1@michigan.gov>, "Byrne, Randall (Treasury)" <ByrneR1@michigan.gov>, "Natasha Henderson" <nhenderson@cityofflint.com>
Subject: Fwd: Water Emergency Response Invoice to State

Good morning, Mr. Steckelberg.

On behalf of Ms. Henderson, please find attached an invoice summarizing costs incurred since the declaration of an emergency on the state level directly related to performing the necessary actions to administer emergency assistance to the City's residents.

Please let me know if you have any questions or require any additional information.

Best regards,

Jody N. Lundquist
Chief Financial Officer
City of Flint

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

Begin forwarded message:

From: Jody Lundquist <jlundquist@cityofflint.com>
Date: January 21, 2016 at 6:19:20 PM EST
To: Natasha Henderson <nhenderson@cityofflint.com>
Subject: Fwd: Water Emergency Response Invoice to State

Good evening, Ms. Henderson.

Please find an invoice attached for your review summarizing the costs incurred as a result of the water crisis. Please let me know if you have any questions or if any additional information is required.

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

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

From: **Vickie Foster** <vfoster@cityofflint.com>
Date: Thu, Jan 21, 2016 at 5:34 PM
Subject: Water Emergency Response Invoice to State
To: Jody Lundquist <jlundquist@cityofflint.com>

Jody,

I am attaching a copy of the invoice, along with copies of the supporting documents. Please let me know if you need anything else.

Vickie



**TREASURER'S OFFICE
CITY OF FLINT, MICHIGAN**

(810) 766-7015

Dr. Karen Weaver, Mayor

MISCELLANEOUS RECEIVABLE BILL

MICHIGAN DEPT OF TREASURY
430 W. ALLEGAN ST. 1ST FLOOR
LANSING MI 48922

BILLING DATE: 01/21/16
CUST #: 05-3887
INVOICE #: 1600027175
SERVICE DATE: 01/20/2016
INVOICE DATE: 01/21/2016
DUE DATE: 02/28/2016

SERVICE ADDRESS:

Description

Amount

WATER EMERGENCY EXPENSES

\$15246.61

REQUEST FOR REIMBURSEMENT OF PERSONNEL COSTS ASSOCIATED WITH WATER
EMERGENCY RESPONSE

FLINT FIRE DEPARTMENT \$11,366.69

DPW - TRAFFIC ENGINEERING TRAFFIC CONTROL \$565.48

DPW - WATER PLANT \$620.84

FLINT POLICE DEPARTMENT- WATER EMERGENCY CALLS \$2,693.60

TOTAL CHARGES INCLUDE PERSONNEL AND EQUIPMENT RELATED COSTS ASSOCIATED
WITH THE WATER EMERGENCY FOR THE PERIOD 1/5/16-1/20/16: \$15,246.61

TOTAL

\$15246.61

PLEASE REMIT BOTTOM PORTION WITH YOUR PAYMENT

REMIT PAYMENT TO:

CITY OF FLINT, TREASURER
1101 S. Saginaw Street, Room 10
Flint, MI 48502
Phone: (810) 766-7015

MISCELLANEOUS RECEIVABLE BILL

CUST #: 05-3887
INVOICE #: 1600027175
SERVICE DATE: 01/20/2016
INVOICE DATE: 01/21/2016
DUE DATE: 02/28/2016

TOTAL INVOICE	\$15246.61
----------------------	-------------------

MICHIGAN DEPT OF TREASURY
430 W. ALLEGAN ST. 1ST FLOOR
LANSING MI 48922



FLINT FIRE DEPARTMENT - WATER EMERGENCY ASSISTANCE

January 5 - January 16, 2016 - Regular hours worked related to water emergency

		REG RATE	OT RATE	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	TOTALS	Direct Fringe
Cobb	Stephen	28.5920	42.8880											24						\$686.21	\$29.44
Dorman	Jacob	22.9190	34.3785									24		24						\$1,100.11	\$47.19
Earegood	Cynthia	19.4870	29.2305																	\$0.00	\$0.00
Galloway	Micheal	21.5210	32.2815																	\$0.00	\$0.00
Hogan	Kwame	22.9190	34.3785																	\$0.00	\$0.00
Hunt	Jerry	22.4080	33.6120								19.5									\$436.96	\$18.75
Maser	Phillip	14.8470	22.2705																	\$0.00	\$0.00
Parrish	Robert	21.0690	31.6035																	\$0.00	\$0.00
Presswood	Frederick	21.0690	31.6035																	\$0.00	\$0.00
Rygwelski	Amy	19.8400	29.7600																	\$0.00	\$0.00
Stenger	John	19.8400	29.7600	4							11	8	12	24						\$1,170.56	\$50.22
Winford	Robert	21.0690	31.6035									6								\$126.41	\$5.42
Wright	James	20.6090	30.9135				24													\$494.62	\$21.22
Yonan	Jeremy	19.4870	29.2305				12	12			11	8	12							\$1,071.79	\$45.98
Total Straight Time Hours Worked Expenses																				\$5,086.65	\$218.22

January 17 - January 30, 2016 - Overtime hours worked related to water emergency

		OT RATE	OT RATE	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	TOTALS	Direct Fringe
Earegood	Cynthia	19.4870	29.2305													24			12	\$1,052.30	\$45.14
Galloway	Micheal	21.5210	32.2815																24	\$774.76	\$33.24
Hogan	Kwame	22.9190	34.3785																12	\$412.54	\$17.70
Maser	Phillip	14.8470	22.2705													12				\$267.25	\$11.46
Parrish	Robert	21.0690	31.6035																12	\$379.24	\$16.27
Presswood	Frederick	21.0690	31.6035															16	8	\$758.48	\$32.54
Rygwelski	Amy	19.8400	29.7600																12	\$357.12	\$15.32
Winford	Robert	21.0690	31.6035													24				\$758.48	\$32.54
Yonan	Jeremy	19.4870	29.2305													12	24			\$1,052.30	\$45.14
Total Overtime Expenses																				\$5,812.47	\$249.35

TOTAL FIRE DEPARTMENT EXPENSES INCURRED RELATED TO WATER EMERGENCY ASSISTANCE FOR PERIOD 1/5/16-1/20/16

\$11,366.69

DPW TRAFFIC ENGINEERING
TRAFFIC CONTROL FOR WATER EMERGENCY
1-14-16 TO 1-18-16

1-21-16

Street Maintenance and Traffic Engineering Water Emergency Response Calls

DATE	EMPLOYEE	OT HRS		REG RATE	OT RATE	OVT SUB-TOTAL	DIRECT FRINGE	EQUIP #	HRS USED	COST/HR	TOTAL EQUIP
		WORKED									
14-Jan	Pat O'Donnell	2	\$ 20.252	30.378	\$	60.76	\$ 6.37	4103	2	\$ 8.93	\$ 17.86
15-Jan	Pat O'Donnell	2	\$ 20.252	30.378	\$	60.76	\$ 6.37	4103	1	\$ 8.93	\$ 8.93
16-Jan	Pat O'Donnell	2	\$ 20.252	30.378	\$	60.76	\$ 6.37	4103	1	\$ 8.93	\$ 8.93
17-Jan	Pat O'Donnell	4	\$ 20.252	30.378	\$	121.51	\$ 12.75	4103	2	\$ 8.93	\$ 17.86
18-Jan	Ken Chapman	4	\$ 19.943	29.9145	\$	119.66	\$ 12.55	4109	2	\$ 8.93	\$ 17.86
18-Jan	Rod McGaha	0.5	\$ 31.601	47.4015	\$	23.70	\$ 2.49				
OVERTIME TOTAL (FRINGES NOT INCLUDED)					\$	447.14	\$ 46.90	EQUIPMENT USAGE TOTAL		\$	71.44

TOTAL EXPENSES INCURRED RELATED TO WATER EMERGENCY ASSISTANCE FOR PERIOD 1/14/16-1/18/16
\$565.48

Utilities Water Plant Emergency Operations Center Assistance

DATE	EMPLOYEE	OT HRS		REG RATE	OT RATE	OVT SUB-TOTAL	DIRECT FRINGE	VEHICLE #	HRS USED	MILEAGE	TOTAL EQUIP
		WORKED									
14-Jan	Melanie Poisson	0.3		\$ 16.996	25.494 \$	7.65 \$	0.80				\$ -
15-Jan	Melanie Poisson	2		\$ 16.996	25.494 \$	50.99 \$	5.35				\$ -
16-Jan	Melanie Poisson	2.6		\$ 16.996	25.494 \$	66.28 \$	6.95				\$ -
17-Jan	Melanie Poisson	2.8		\$ 16.996	25.494 \$	71.38 \$	7.49	7755	2	\$ 62.96	\$ 125.92
18-Jan	Melanie Poisson	2.4		\$ 16.996	25.494 \$	61.19 \$	6.42	4109	2	\$ 62.96	\$ 125.92
18-Jan	Melanie Poisson	3		\$ 16.996	25.494 \$	76.48 \$	8.02				
OVERTIME TOTAL (FRINGES NOT INCLUDED)					\$	333.97 \$	35.03	EQUIPMENT USAGE TOTAL		\$	251.84

TOTAL EXPENSES INCURRED RELATED TO WATER EMERGENCY ASSISTANCE FOR PERIOD 1/14/16-1/18/16
\$620.84

FLINT POLICE DEPARTMENT - WATER EMERGENCY CALLS FOR SERVICE

Date	Times	# Officers	Rank	Name	Hourly Rate	Location	Request	Straight Time	Over Time	Wages Paid Straight Time	Wages Paid @ OVT 1.5 Rate	Direct Fringe Expense
1/10/2016	1434-1615	1	Ofc	Snyder	\$26.44	716 W. Pierson	Traffic/Crowd Control	1.7		\$44.95		\$1.93
	1434-1453	2	Ofc	Hughley	\$26.44			0.3		\$7.93		\$0.34
			Ofc	Watson	\$26.44			0.3		\$7.93		\$0.34
1/11/2016	0954-1705	1	Ofc	Fields	\$26.44	716 W. Pierson	Traffic/Crowd Control	7.1		\$187.72		\$8.05
	1654-1748	1	Ofc	W. Johnson	\$26.44			0.9		\$23.80		\$1.02
	1654-2057	2	Ofc	Eads	\$26.44			4.0		\$105.76		\$4.54
			Ofc	Wilson	\$26.44			4.0		\$105.76		\$4.54
1/13/2016	1417-1422	1	Sgt	Hall	\$30.35	202 E. Atherton	Trouble at location	0.1		\$3.04		\$0.13
1/14/2016	1310-1755	1	Ofc	Hall	\$26.44	716 W. Pierson	Traffic/Crowd Control	4.8		\$126.91		\$5.44
	1642-2100	1	Ofc	Willingham	\$26.44			2.3		\$60.81		\$2.61
1/15/2016	1600-1830	1	Ofc	Plair	\$26.44	716 W. Pierson	Traffic/Crowd Control	2.5		\$66.10		\$2.84
	1830-2100	2	Ofc	Balasko	\$20.36	716 W. Pierson	Traffic/Crowd Control	2.5		\$50.90		\$2.18
			Ofc	N. White	\$16.76			2.5		\$41.90		\$1.80
1/16/2016	0900-1600	1	Sgt	Handley	\$29.85	716 W. Pierson	Traffic/Crowd Control		7.0		\$313.43	\$13.45
	1600-1930	1	Ofc	Fields	\$26.44	716 W. Pierson	Traffic/Crowd Control	3.5		\$92.54		\$3.97
1/16/2016	1545-1645	1	Capt	Golden	\$37.91	1101 S. Saginaw	Monitor Rally at City Hall		1.0		\$56.87	\$2.44
	1545-1700	1	Sgt	Dumanols	\$29.85	1101 S. Saginaw	Monitor Rally at City Hall					\$1.66
1/17/2016	0830-1530	4	Sgt	Groulx	\$29.85	2202 W. Dartmouth	Traffic Control at Rally	1.3		\$38.81		\$13.45
			Ofc	Snyder	\$26.44							\$11.91
			Ofc	Summers	\$26.44							\$11.91
			Ofc	Watson	\$26.44							\$11.91
1/17/2016	2100-2200	2	Ofc	Smith	\$26.44	Unknown	Follow up/TWM	1		\$26.44		\$1.13
			Ofc	Henige	\$16.76			1		\$16.76		\$0.72
1/18/2016	1115-1230	1	Ofc	Marshall	\$26.44	716 W. Pierson	Traffic/Crowd Control	1.3		\$34.37		\$1.47
	1654-1748	1	Ofc	Hall	\$26.44	716 W. Pierson	Traffic/Crowd Control	0.9		\$23.80		\$1.02
Total								42.0	36.0	\$1,066.22	\$1,516.58	\$110.80

TOTAL POLICE DEPARTMENT EXPENSES INCURRED RELATED TO WATER EMERGENCY ASSISTANCE FOR PERIOD 1/10/16-1/20/16
\$2,693.60

January 22, 2016

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

Dear Governor Snyder:

The Flint Water Advisory Task Force (FWATF) appreciates your recent efforts to secure federal and mobilize state emergency response resources to address the immediate water supply issues in Flint.

This letter is to encourage a similarly robust response to the challenges of re-establishing a reliable, trusted potable water distribution system in Flint. This is required as soon as possible to replace the unsustainable and expensive bottled water and filter distribution program that has been necessitated, but which clearly must serve as an interim, emergency response.

Consistent with the priorities identified in the Safe Drinking Water Emergency Order issued by the EPA on January 21, 2016, we recommend the following actions to address scientifically grounded concerns that the water system in Flint remains unsafe because of lead contamination and Legionella. Public trust in the safety of the water supply may only begin to be re-established through the state's forthright engagement of the scientific experts who overcame state and federal agency intransigence to expose the lead poisoning.

Our recommendations are:

- Engage US EPA staff experts versed in Lead and Copper Rule (LCR) requirements – specifically Miguel del Toral, Darren Lytle and Michael Shock. These individuals should be empowered to guide implementation of a comprehensive LCR sampling program in Flint that will monitor lead levels now and throughout the conversion to raw water supply by the Karegnondi Water Authority (KWA) and full-time use of the Flint Water Treatment Plant.
- Establish an inter-disciplinary work group comprising subject matter experts drawn from respected public utility associations and institutions of higher learning in Michigan and elsewhere (including Marc Edwards of Virginia Tech), to oversee the conversion to KWA-supplied raw water.
- Commission and/or contract with an unbiased third-party organization or consortium (hereafter: Flint water safety scientific assessment team [FWSSAT]) that will be responsible for assessing the quality and safety of drinking water in residences, schools and child care settings in Flint, and hospitals and other healthcare facilities served by the

Flint water system. The explicit focus of FWSSAT activities will be lead and Legionella; however, the FWSSAT may include other considerations in its work.

The FWSSAT will be invested with the responsibility of declaring when the public water supply in Flint is safe for routine consumption. The FWSSAT will employ the most rigorous scientific standards, using a sampling strategy that is designed to optimize detection of water contamination in home, school, and child-care settings, and healthcare environments. All schools and healthcare facilities must be included in the sampling approach. Rigorous sampling of residences and child-care settings (whether centers or in-home) will also be implemented, using any and all available information about lead water service lines. In addition, if a homeowner or renter whose dwelling has not been included in sampling wishes to have the dwelling included, they will also be sampled. The sampling efforts and reporting process of the FWSSAT will be fully transparent to the public; results of testing should be published on local, state, and federal (EPA) websites.

- To assure the re-building of community trust and assure sufficient expertise for future water quality and safety, the FWSSAT should partner with local (Flint Water Treatment) and state (MDEQ) personnel in its activities. The FWSSAT should have an interdisciplinary advisory committee that includes local community leaders, local and state officials, national scientific authorities regarding water quality and safety and public health, and the leader of the interagency state effort regarding the Flint water crisis. When the FWSSAT advisory committee is satisfied that the FWSSAT scientific procedures have thoroughly assessed water quality and safety in Flint residences, schools and child care settings, and healthcare facilities and found the water to be sufficiently free of contamination, then the committee will advise the public of the findings. The FWSSAT will then organize the transfer of responsibility to local and state authorities to sustain the sampling and reporting methods thereafter, including the conversion to KWA raw water in the future.

We also believe that a forthright response to the Legionella outbreak must similarly engage trusted, scientific experts drawn from independent institutions. Accordingly, we recommend:

- The Michigan Department of Health and Human Services (MHHS) should make a formal request to the federal Centers for Disease Control and Prevention (CDC) for assistance in assessing the outbreak of Legionnaire's disease in Flint, if they have not already done so. MHHS, working with CDC, should develop a strategy for improving prevention, rapid detection, and timely treatment of cases of Legionellosis in Michigan in 2016 and beyond. While the MDHHS evaluation of the dozens of cases of Legionellosis in 2014 and 2015 has strongly suggested a link to the shift to drinking water from the Flint River in 2014, further and more intensive evaluation of clinical isolates (i.e., samples from infected patients) is necessary to understand the route(s) of transmission from contaminated water to humans. The unique set of outbreak circumstances in the setting of a change in water source strongly indicates that support from federal public

health authorities would be a welcome way to amplify the public's collective understanding of risk of contracting *Legionella* in residences served by the Flint water system, and in Flint healthcare facilities.

- The state should specifically request federal support from the CDC – and, as appropriate, additional federal experts and agencies – to advise and assess Flint healthcare facilities and Flint-based healthcare providers regarding: (a) appropriate application and timely re-application of biocides to air treatment systems and cooling towers in all healthcare facilities in Flint, in order to prevent colonization with *Legionella*; and (b) proper assessment and timely diagnosis of *Legionella* among patients in Flint who present with characteristic signs and symptoms and have a history of potential exposure to contaminated water. Of note, the risk of resurgent Legionellosis in Spring 2016 is on the horizon; the first cases of Legionellosis in the 2014 and 2015 outbreaks were diagnosed in June and May, respectively, and *Legionella* is known to be much more common in the spring, summer, and fall than in the winter months. Time is of the essence.
- MDHHS should work with its federal partners to assure that investigative efforts related to *Legionella* regarding quality and safety of water are conducted in coordination with the FWSSAT described above. Furthermore, MDHHS should regularly communicate its findings to the Flint community regarding its efforts to prevent, detect, and treat cases of *Legionella* until case levels return to pre-2014 levels.

We expect that these measures will provide members of the Flint community with assurance that the quality of their tap water is being appropriately monitored and that forthcoming announcements that Flint's tap water is safe to drink are well-founded. Notwithstanding earnest state agency actions, we believe that the engagement of independent subject matter experts, whether to assess drinking water quality or public health concerns, is critical to overcome, over time, the understandable skepticisms that prevail in the Flint community.

We hope that you will receive these recommendations in the same spirit with which they are offered – to advance the recovery and reinvigoration of the Flint community.

Respectfully,

Matthew Davis, M.D.
Chris Kolb
Lawrence Reynolds, M.D.
Eric Rothstein, CPA
Ken Sikkema

Weekly Conference Call Notes – Jan. 25, 2016

Allen Park –Jan. 25 –Mayor Matakas, M. Kibby, B. Cady, P. Dostine, A. Heimann, D. Hudson

- **Priorities**
 - Order 55-A. CBRE marketing the 11 acres where old city hall is located. Allen Park wants permission to allow CBRE to market the property rather than issuing a RFP as required by Order 55-A. Question: would using CBRE satisfy or be non-compliant with Order 55-A? Treasury-LGFSD to take the city's request to management for a decision.
 - Order 29. This order mandates that city comply with the 80/20 cost-sharing model as provided for pursuant to Public Act 152 of 2011. Cady said by offering the city the option of a hard-cap, it would save families \$2,500 per year or singles \$1,200 per year. A real money saver for Allen Park employees and, Cady adds, would help the city recruit employees, especially police.
 - The Mayor expressed concern over the delay in the RTAB Evaluation. Treasury explained that there have been some extenuating circumstances and staff unavailability and assured the Mayor that a delayed evaluation report would not negatively affect the outcome.
 - Treasury discussed the possible cancellation of the Feb. 3 RTAB. The city was ok with the cancellation. There was agreement that there were no pressing agenda items that needed consideration in Feb. They just requested that they be informed of the Chair's decision by early next week.
- **Claims and Accounts (Dec. v Jan. numbers)**
 - The city explained that Dec was near normal (\$1.8M from Nov. activity) and Jan. was low (\$346K) because December was a short month due to the holidays and time off from many department heads, including Cady. Invoices simply weren't processed.
- **Two, F 250 Trucks. Not enough money in the Capital Outlay Fund (\$47,968) to cover \$65,805 cost.**
 - Cady reminded Treasury that that was one of eight budget amendments the city recently submitted for RTAB approval (in Jan.) and now is awaiting State Treasurer approval. City was told the paperwork was submitted early last week (wk of Jan. 11).

Benton Harbor –Jan. 21 – D. Watson, D. Hudson, E. Cline

- **Public Notice – Personnel & Finance Committee Meeting 1/27/16**
 - Settlement of Public Safety – discussing end of negotiations of FOP

- City Manager Contract Renewal – Mayor appears to be on board with renewing contract for 2 years. Darwin believes all but possibly 2 commissioners will support his renewal.
- **Commissioner Replacement**
 - Special meeting being held on 1/25/16 for interviews
 - Planning to announce replacement on 2/1/16
 - 5 candidates being considered
- **Personnel Issues**
 - Met with Joyce Parker on 1/20/16. Cemetery audit on schedule for 2/1/16. Infrastructure valuation report requesting additional time to submit. Thinking the information will be available by 4/1/16.
- **Community & Economic Director**
 - Interviewed a candidate on 1/20/16. Darwin feels he is a great candidate. He wants to offer him the position but is concerned regarding the salary expectations. The position salary range is \$60k - \$70k. He is thinking of offering \$68k with room for re-evaluation once he is on the job (would like to observe his interaction with staff/community).
- **Lawsuits**
 - Lange – A closed session was scheduled but postponed. Looking to resolve this case in March 2016.
 - Unruh and O'Brien are slated to be complete November 2016 – strongly suggesting mediation for these cases.
 - The insurance company wants Benton Harbor to contribute \$300k to the settlement of the lawsuits. A representative from the insurance company is scheduled to attend a commission meeting to discuss the city's contribution.
- **Meeting schedule**
 - Our meetings will continue to occur bi-weekly beginning 1/28.

Ecorse – Dec. 22 – W. O'Neal, R. Byrne, D. Van de Grift, P. Dostine, A. Heimann, R. Widigan

- **Priorities:**
 - Council will receive and file the audit tonight – shows a decrease in fund balance, had to “book liabilities for lawsuits and pensions”
 - Ended with an overall debt of \$34K
 - Council will be approving a \$1.9M payment on the E-Loan
 - City would like a DEP schedule
 - 47% cash fund balance – the restriction on the U.S. Steel payment has ended.
 - However, this will drop after the \$1.9M payment for debt service
 - 5-year budget is being reviewed by treasury

- Wayne said to fund police and fire it is coming from PA 33 assessment
- Wayne said if the arc payment goes up, the city has a judgment levy (Order) against it, the city can then levy it.
 - Drew said that the city attorney needs to review the Order before the next RTAB meeting.
 - Wayne said he will read it and talk to the attorney about it
- City will do training every two months with employees – will have an employee book everyone will sign.
- Wayne will be meeting with city council on an individual basis to discuss where he would like to head in regards to city attorney and DPW.
 - Wayne thinks he can bring a full time attorney on board for current cost or less.
- **SEV. Assessments:**
 - Decrease of 10% on residential tax base
 - Roughly \$250K
- **Miscellaneous:** Wayne stated the City is headed in the right direction, needs to do various capital improvement projects, etc...

Flint – Jan. 20 –Council President Nelson, N. Henderson, P. Dostine, E. Cline, A. Heimann, W Lamphier, F. Headen

1. Water Update:

Water, Lead Test Kits, and Filter Distribution Update:

- Council President Nelson has been uplifted by the significant donations of water, filters, and volunteers to help distribute water
- The City has a partnership with the MTA to distribute water to people who are homebound, or who lack transportation to retrieve water on their own.
- The City has been strained financially and operationally in its response to the emergency. Henderson also said, “It’s becoming a really big strain for staff.” Henderson said that the city is using resources that:
 - Accrue unbudgeted financial costs to the city, like its sanitation contractor being dispatched to fire stations to clean-up from distribution efforts ; or
 - Borrow limited resources that are needed in other areas. N. Henderson told an anecdote about how the city wanted to place a police officer by all of the fire stations to help manage traffic (where water distribution is happening) and that they could not justify removing officers from their duties in the neighborhoods where crime is a problem. .

- N. Henderson said Flint needs to be reimbursed for the additional expenses that the city is accruing. Asked the Treasury participants on the call to help if there is “anything that we can do about that”. Said that she has been keeping a record of how much this has cost the city, and will be sending that document to E. Cline from Treasury.
- Deloitte has offered to help the city with crisis management. They are sending in (3) consultants, and one of them has worked with cities to manage the aftermath of hurricane Katrina.

Water Billing/Water Fund

- N. Henderson stated that the City was attempting to combat false information about water bills.
- The city says that “the judge’s ruling” allows them to send out water shut off notices, but they currently are not doing so.
- People are still not paying their water bills, the city suggests that part of the reason is that there is so much confusion about the bills, especially around whether or not the state is going to pay for the past-due bills from when the water was tainted with lead, which the city suggests is the common conception. The city expressed concern that they did not find money to pay delinquent water bills in the Governor’s Supplemental Budget.
- The water usage rate has not decreased since the news broke about the lead.

Water Operations

- The city is working to formalize a plan to connect the city to its neighboring communities to back up each other’s water supply. This plan would cost \$6.4 Million, but N. Henderson feels confident that the city would only be responsible for paying a portion of the costs. This plan would serve two purposes:
 - o It would prevent the city from having to spend an estimated \$3.1M to build a temporary above ground water line for testing the connection to the KWA
 - o It would allow the city to use its neighbors for a water supply backup and not have to rely on the Flint River as a back-up source
- Efforts to control the corrosion from city water are going well. N. Henderson said that they have been doing field testing of water, and that lead levels are decreasing.

Drinking Water Emergency Loan Fund

- The city intends to apply for this fund, and hopes that a portion of this loan money is forgivable.
- The city’s proposal would likely be \$25M annually (the maximum is \$15M according to the city) for (5) years, at a total of \$125M
- Would be working on public and private infrastructure by prioritizing areas in the highest need of infrastructure improvement. The city knows, for example, where water sits in the system. Areas like those would be targeted for these monies.

- The city is aware that their initial estimates of over a billion dollars to replace all lead infrastructure is an unrealistic request
- The city has already conducted a Reliability and Sanitary Sewer study, which they say is a requirement of the application
- Their data suggests that the city has about 600 Miles of water infrastructure, but their engineering consultant suggests that this number might be 100 Miles low

2. Other issues

Police and Fire Department updates

- There is not much to report in crimes, the city is about at where it would expect to be at this point in the year
- Fire stations are being utilized as water and filter distribution centers

Shears v Flint

- The \$15M transfer from the Sewer Fund has been resolved. The City Council voted to approve that transfer, and now it is awaiting RTAB approval.

Hamtramck – Jan. 14 – K. Powell, P. Dostine, A. Heimann

Miscellaneous

- The city started plowing its own streets for the first time since 2001. Using pick-up trucks purchased through Act 84 monies, Katrina said the crew plowed every street during the last snow event. The cost was \$5K. Katrina said under the old contract with CPI, the cost would have been \$46K.
- Katrina reported that the city settled a lawsuit for \$999.00. The plaintiff originally wanted \$175K.
- Katrina had a question about whether or not the FO applies to the court. The court wants to make personnel changes and increase salaries. Does the FO prevent the courts from doing that?
- Since the recent exchange of emails between Councilman Miah and K Powell, things have settled down. Katrina said the last council meeting was actually cordial.

'15 Budget Audit

- Katrina expects the audit to be completed week of January 18.

Police Study

- Katrina reported that the new Chief is expecting up to 4 proposals from firms interested in conducting a study.

Election fraud

- No update.

Highland Park– Oct. 14 – C. Square, R. Byrne

- The collection firm has approximately \$7M in past due accounts to collect. However, many of these accounts are no longer active.
- Meadowbrook will be providing an updated report on OPEB costs which show a substantial reduction of the annual costs. The new estimated annual costs will be between \$200K and \$300K.
- New water bills with the new water and sewer rates have been sent out to the customers.
- Wade-Trim has opened its customer service center on Woodward Avenue.
- BSA software installation has been completed.
- The City will be submitting several FDCVT grant applications including master water meters, LED streetlights, and building improvements.
- Wade-Trim has received several shipments of residential water meters that will be installed soon.

Inkster – Jan. 14 – M. Stuhldreher, R. Byrne, A. Heimann, D. Hudson, P. Dostine

Charter Change

Attempt to revise the role of the Mayor by using a charter amendment has not been fruitful

Will attempt to put a Charter revision on the ballot for March

If it is successful, there will be a charter commission established in May

Financials

2nd Qtr Budget amendment will be voted on by the City Council on February 1st

- The city will be maintaining a positive operating surplus or \$600k even after this amendment

Drop in residential property values

- **Residential property values are slated to decrease by 17% next year, which will be a \$700,000 decrease in revenues**

- Suggests that the City, who will have approximately a \$2M fund balance, and alluded to potentially using this as a financial buffer

Treasury Financial Assistance - City Manager Search/Economic Development

Has not heard anything about whether or not the city will be receiving some assistance to pay for this search from the Treasury. Eric and Pat will be following up with Randy and finding out what the status of this is, and getting back to him.

Relationship with new Mayor and City Council

Currently struggling to build a working relationship. Told a story about how one City Councilor asked to sit in on a staff meeting, and was outraged to be denied.

Rouge Valley Lawsuit

\$4.7M lawsuit that has been ongoing

- Had gotten approval from the previous City Council for this
- Wayne County has agreed to, and signed the lawsuit
- Awaiting a judge's order to put payment of this lawsuit on 5 years of tax rolls

Regional Service Authority

- Has expressed interest in doing some kind of service consolidation, Eric will have Randy follow-up with him to find out where MMSA is, and what they are currently working on

Lincoln Park – Jan. 25 –M. Coppler, A. Heimann, P Dostine, R Byrne

- **Priorities**
 - Coppler said he is working to get financial policies of the city in-line with the Final Order and Best Practices. Historically, Coppler said Lincoln Park has not amended its ordinances. The city council has always changed or revised policy by way of resolution. Going forward, Coppler will be eventually bring the ordinances up-to-date with previously passed resolutions by the amendment process.
 - Coppler said Lincoln Park residents have been requesting a lot of documents from the city. In an effort to build back trust, Coppler generally has been giving residents what they ask for without having them file a Freedom for Information Act request. (Soon, many of these documents will be on the city's website, Coppler added.) Coppler did note that attorneys have been filing FOIAs to get information on addresses with delinquent

water bills (and most likely taxes too). They are trying to get ahead on the process to purchase homes that have been left vacant but not yet turned over to the county.

- **MERs**
- Coppler said he has not heard anything from MERs regarding the city's under-payment and whether or not MERs is going to sue the city or kick the city out of MERs. MERs met either Jan. 14 or 15 about Lincoln Park.

Pontiac – Jan. 15 - Deputy Mayor Jane Bais-DiSessa, J. Sobota, N. Narzarko, R. Widigan,

- **Weekly priorities:**
 - Will be meeting with the mayor to go over proposed budget amendments of FY 16
 - Departments will be turning in annual reports today
- **What is the taxable value 14-15:** 1.6%
- **What is the assessed value 14-15:** 4.9%
- **OPED Mediation:** Actively working on counter proposal; meeting with plaintiff's on Tuesday.
- **Phoenix Center:** Nothing new, Nowak & Fraus Engineers did a presentation on the center, regarding all engineering that had been done.
 - Structure is not in danger of collapse, but identified required structural repairs.
-

Royal Oak Township – Dec. 14 – Supervisor Squall, R. Burgess, P. Dostine, D. Hudson

- **Priorities**
 - Burgess and Fedewa are working to complete reports that are owed to Treasury per the Consent Agreement and F & O plan.
 - Burgess said with police service agreement still uncertain the township has only produced a '16 budget. Can't project without the police agreement in place. The 5-year is on hold.
 - Burgess put two Capital Improvement Projects into the '16 budget. He is not currently working on the 6-year CIP.
 - The two projects are 1) Widening of Wyoming Road, and 2) Updating of the accounting system.
 - Burgess said for years the township has paid \$20K annually for use of Grant School.
- **MERS**

- Burgess did not want to discuss this issue. He said he would like to bring it up during the next call. (Note: Because the supervisor was on the line I think Burgess was reluctant to talk about the MERS money.)

- **Police Update**

- The Supervisor said she had recently talked to the city of Southfield. The city told her it was interested in providing police services, but currently was under-staffed. Southfield said it was a year away from being at full capacity. Until then, it couldn't talk agreements with the township.
- Supervisor said Treasury told the township it could continue to collect the special assessment while it looked for an agreement with a local unit.
- Supervisor pledged to continue to work hard at finding a solution to the issue of no police service.

- **Clerk**

- Supervisor expressed great frustration at the Clerk's unwillingness to perform her statutory responsibilities.
- Supervisor said this happens every year around Christmas time.
- Supervisor will be sending a letter to Treasury requesting advice on handling the situation.

Cline, Richard (Treasury)

From: Koryzno, Edward (Treasury)
Sent: Thursday, January 22, 2015 1:16 PM
To: Cline, Richard (Treasury)
Subject: FW: Fernanders v Wright, et al
Attachments: Fernanders (1).PDF

Follow Up Flag: Follow up
Flag Status: Completed

Per our discussion



Edward B. Koryzno, Jr. | Director - Bureau of Local Government Services
State of Michigan | 430 W. Allegan Street, 3rd Floor | Lansing, MI 48922
(517) 373-4415 | (517) 373-0633 (fax)
KoryznoE@michigan.gov

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

CONFIDENTIALITY NOTICE: This e-mail, and any attachments, is for the sole use of the intended recipient(s) and may contain information that is confidential and protected from disclosure under the law. Any unauthorized review, use, disclosure, or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail, and delete/destroy all copies of the original message and attachments.
Thank you

From: Workman, Wayne (TREASURY)
Sent: Thursday, January 22, 2015 10:17 AM
To: Koryzno, Edward (Treasury); Headen, Frederick (Treasury); Byrne, Randall (Treasury)
Cc: Saxton, Thomas (Treasury); Stanton, Terry A. (Treasury); Gelisse, Ashley (TREASURY); Stibitz, Brom (Treasury); Dempkowski, Angela (Treasury)
Subject: FW: Fernanders v Wright, et al

Would the EM usually be defended by the AG or a SAAG?

From: Peter Bade [<mailto:pbade@cityofflint.com>]
Sent: Thursday, January 22, 2015 9:20 AM
To: Workman, Wayne (TREASURY); Headen, Frederick (Treasury); Byrne, Randall (Treasury); Gerald Ambrose; Flint Mayor
Subject: Fernanders v Wnght, et al

Gentlemen: I'm forwarding the attached motion for temporary restraining order that was filed in federal court. Darnell Earley is a named defendant. I am writing to seek guidance on whether the Attorney General will be representing him.

I do not have Darnell's new email address. I left a message on his cell phone this morning. I'm not sure if he's been served.

--

Peter M. Bade
Chief Legal Officer
City of Flint
p 810 766 7146
f 810 232 2114

UNITED STATES DISTRICT COURT EASTERN DISTRICT
OF MICHIGAN SOUTHERN DIVISION

ANDERSON LEE FERNANDERS

Plaintiff,

V

JEFF WRIGHT
GENESEE COUNTY DRAIN COMMISSIONER,
DARNELL EARLE
FLINT'S STATE-APPOINTED
EMERGENCY MANAGER,
DAYNE WALLING
MAYOR OF THE CITY OF FLINT.

AND

MR. AND MS/MRS JANE AND
JOHN DOE/UNKNOWN (1 TO 1000)
Defendants

Jeff Wright
Genesee County Drain Commissioner
4610 Beecher Road
Flint MI 48532
810-732-7870

Darnell Earle
Flint's State-Appointed
Emergency Manager
1101 S. Saginaw St
Flint, MI 48502
(810) 766-7418

Dayne Walling
Mayor of the City of Flint
1101 South Saginaw Street # 101
Flint, MI 48502
(810) 766-7346
Defendants

Case No 2 15-cv-10083
Hon Avern Cohn
Mag. Steven R Whalen

RECEIVED

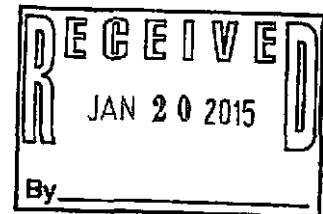
JAN 20 2015

CITY ATTORNEY'S
OFFICE

FILED
JAN 15 2015

U.S. DISTRICT COURT
FLINT, MICHIGAN

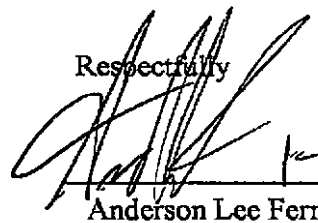
Anderson Lee Fernanders
5801 Marlowe Drive
Flint, MI 48504
(216) 272-3539
Plaintiff



EX PARTE MOTION FOR A TEMPORARY RESTRAINING ORDER WITH ASSET
FREEZE AND OTHER EQUITABLE RELIEF

NOW COMES the Plaintiff, *in pro per, sui juris*, being an indigent brings this matter before this honorable Court in the public interest to respectfully moves this Court to Grant his Ex Parte Motion for a Temporary Restraining Order with Asset Freeze and Other Equitable Relief pursuant to Rule 65 of the Federal Rules of Civil Procedure, Fed. R. Civ. P. 65 and moves the court to issue a temporary restraining order without written or oral notice to the adverse party or its attorney pursuant to Fed. R. Civ. P. 65 (b) under Racketeer Influenced and Corrupt Organizations Act (RICO), Uniform Commercial Code (UCC), Federal Safe Water Act, Michigan Safe Water Act, State of Michigan Constitution and these United States Federal Constitution for Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) ongoing violations of the causes for action set forth in Plaintiff's *ex parte* Complaint for the reasons contained in his accompanying Memorandum.

WHEREFORE, Anderson Lee Fernanders prays that this Honorable Court make him whole by granting recovery of and all other relief sought in his Ex Parte Motion for a Temporary Restraining Order with Asset Freeze and Other Equitable and other relief that this Court finds as may be just and proper in the premises.

Respectfully

1-15-15
Anderson Lee Fernanders

Memorandum in Support

I. STATEMENT OF FACTS

Plaintiff's Statement of Facts as written in his *ex parte* Complaint are hereby incorporated as if fully set forth herein as facts in this Memorandum in Support.

II. STANDARD OF REVIEW

Plaintiff's motion is governed by Fed. R. Civ. P. 65. The decision whether or not to grant a request for interim injunctive relief falls within the sound discretion of the district court. *Friendship Materials, Inc. v. Michigan Brick, Inc.*, 679 F.2d 100, 102 (6th Cir. 1982).

III. ARGUMENT

INTRODUCTION

Plaintiff moves the Court for a preliminary injunction and temporary restraining order pursuant to Fed. R. Civ. P. 65.

Plaintiff makes this motion on the grounds that:

1. Plaintiff is likely to prevail on the merits of his claim;
2. Plaintiff will suffer irreparable harm if preliminary relief is not granted;
3. Third parties will not be harmed by the relief sought; and
4. The public interest will be served by granting the relief sought.

Plaintiff requests that the Court issue a temporary restraining order and Preliminary Injunction relief sought specifically written in his *ex parte* Complaint; and

Plaintiff moves the court to issue a temporary restraining order without written or oral notice to the adverse party or its attorney pursuant to Fed. R. Civ. P. 65 (b).

Plaintiff makes this motion on the grounds that:

1. Plaintiff's attached affidavit clearly shows that immediate and irreparable injury will result to the movant before the Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) can be heard in opposition.
2. Plaintiff's certifies in writing his efforts made to give notice Defendants and Mr. and Ms/Mrs Jane and John Doe/Unknown (1 to 1000).
3. Plaintiff's gives reasons why notice Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) should not be required.

PRELIMINARY INJUNCTION AND TEMPORARY RESTRAINING ORDER

In the present case, Plaintiff satisfy the standard for obtaining a temporary restraining order and a preliminary injunction because (1) Plaintiff has a strong likelihood of success on the merits; (2) the Plaintiff will be irreparably harmed if a temporary restraining order and preliminary injunction is not issued; (3) an injunction in favor of Plaintiff will not cause substantial harm to others; and (4) an injunction in favor of Plaintiff serves the public interest.

Leary v. Daeschner, 228 F.3d 729, 736 (6th Cir. 2000); *McPherson v. Michigan High Sch. Athletic Ass'n*, 119 F.3d 453, 459 (6th Cir. 1997) (*en banc*) (quoting *Sandison v. Michigan High Sch. Athletic Ass'n*, 64 F.3d 1026, 1030 (6th Cir. 1995)); *Frisch's Restaurant Inc. v. Shoney's Inc.*, 759 F.2d 1261, 1263 (6th Cir. 1985). "These factors are to be balanced against one another and should not be considered prerequisites to the grant of a preliminary injunction." *Leary*, 228 F.3d at 737, (citing *United Food & Commercial Workers Union, Local 1099 v. Southwest Ohio Reg'l Transit Auth.*, 163 F.3d 341, 347 (6th Cir. 1998))

The equities weigh solidly in favor of granting preliminary relief to ensure that Plaintiff and all City of Flint residents and business along with their employees of ceasing buy, drink and otherwise using water contaminated with Trihalomethanes (THMs) above 80 parts per billion,

the city causes the Plaintiffs and all City of Flint residents and business along with their employees to suffer a spontaneous and acute gastrointestinal reaction and other physical injuries as contained in Plaintiff's Affidavit, as well as but not limited to suffering emotional pain, suffering, inconvenience, mental anguish, loss of enjoyment of life, the clear and present treat of law suits on the City of Flint business and medical professionals, and other nonpecuniary losses such results of Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) actions and lack of action illuminated in the statements of fact caused the type of harm that the Uniform Commercial Code (UCC), Federal Safe Water Act, and Michigan Safe Water Act were intended to prevent and furthermore, denies us our right to enjoyment as conferred in Michigan Constitution ARTICLE 18 Section 13 and right to domestic Tranquility as conferred in the Federal Constitution's Preamble. The equities also weigh in favor of granting preliminary relief to Plaintiffs and all City of Flint residents and business along with their employees to ensure they do not continue to buy, drink and otherwise using water contaminated with Trihalomethanes (THMs) above 80 parts per billion for any longer, especially given the fact too much time has passed since Plaintiffs and all City of Flint residents and business along with their employees first unknowingly and unwittingly to drink, shower in, bathe in, and otherwise use domestic water supplied by the City of Flint which "exceeded the trihalomethanes (TTHM) MCL" and recently reported "that the location reporting the highest TTHM level was 99 ug/L."¹

The public interest of Plaintiffs and all City of Flint residents and business along with their employees along with City of Flint business and medical professionals will not suffer harm if an injunction is issued:

Plaintiffs and all City of Flint residents and business along with their employees along with City of Flint business and medical professionals suffer from having to buy, drink

¹ Exhibit 4

and otherwise using water contaminated with Trihalomethanes (THMs) above 80 parts per billion. As reported throughout the news media for a time now a like and similarly to Ron Fonger's January 11, 2015 article entitled "*City to enlist water experts*" in The Flint Journal, he writes quoting City Council President Josh Freeman "Perception is reality, and the perception of a large number of people in that the water is unsafe." (p A7). The article speaks of indicated that City Councilmen Eric Mays and Kerry Nelson invited all of the City of Flint residents to a town hall meeting. (p A7).

The harm to Plaintiff and all City of Flint residents and business along with their employees along with City of Flint business and medical professionals in the absence of injunctive relief outweighs the harm to the Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) if Plaintiff's Motion is granted:

At the outset, when the Court balances the hardships of public interest against a private interest under a statutory injunction, the public interest receives the greater weight.² In such cases involving violation of law, harm to the public interest is presumed.³ The injunctive relief request granted centers on the governance of water supplied by the City of Flint. The Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) being removed from the governance of water supplied by the City of Flint does not render him or her unable to fulfill their other work duties unless any duty is connected to the governance of water supplied by the City of Flint whereby the Flint's City Council will carry out in the manner detailed Plaintiff injunctive relief numbered 11 and 12. Given the task of the governance of water supplied by the City of Flint, the injunctive relief as written puts the Flint's City Council in control of the monies and freezes on

² *FTC v. Nat'l Testing Servs., LLC*, No. 3:05-0613, 2005 WL 2000634, at *3 (M.D. Tenn. Aug. 18, 2005).

³ *Nat'l Testing Servs., LLC*, 2005 WL 2000634, at *3.

assets Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) connected with their governance of water supplied by the City of Flint to ensure and protect the Flint's City Council ability to be successful at governance of the water supplied by the City of Flint.

The foregoing antitrust cases establish that equitable relief to prevent and restrain future violations is not limited to relief prohibiting future conduct, but also broadly encompasses relief designed to cure the ill effects of violators' past and/or ongoing misconduct and to deprive them of the fruits of their misconduct. For the reasons stated above, RICO's equitable relief must be interpreted to be at least as broad as antitrust equitable relief. Moreover, it is important to bear in mind that the Supreme Court has admonished that "once the Government" has established a violation of law, "all doubts as to the remedy are to be resolved in its favor." *United States v. E. I. du Pont de Nemours & Co.*, 366 U.S. 316, 334 (1961). Accord *United States v. Bausch & Lomb Optical Co.*, 321 U.S. 707, 726 (1944).

Thus, federal courts have held that evidence of past violations may establish the requisite **reasonable likelihood of future violations** in view of the totality of the circumstances, particularly where the defendant's past violations were: (1) "part of a pattern" and not isolated; (2) were "deliberate" and not "merely technical in nature"; and (3) "the defendant's business will present opportunities to violate the law in the future."⁴

⁴ SEC v. First City Financial Corp., Ltd., 890 F.2d 1215, 1228-29 (D.C. Cir. 1989). Accord SEC v. Bilzerian, 29 F.3d 689, 695 (D.C. Cir. 1994); SEC v. Gruenberg, 989 F.2d 977, 978 (8th Cir. 1993); CFTC v. Hunt, 591 F.2d 1211, 1220-21 (7th Cir. 1979); SEC v. Savoy Indus., Inc., 587 F.2d 1149, 1168 (D.C. Cir. 1978); SEC v. Commonwealth Chemical Securities Inc., 574 F.2d 90, 98-100 (2d Cir. 1978); SEC v. Management Dyn. Inc., 515 F.2d 801, 807-08 (2d Cir. 1975); SEC v. Advance Growth Capital Corp., 470 F.2d 40, 53 (7th Cir. 1972); SEC v. Manor Nursing Ctrs., Inc., 458 F.2d 1082, 1100-01 (2d Cir. 1972); Pullum v. Greene, 396 F.2d 251, 256-57 (5th Cir. 1968); *United States v. Philip Morris USA, Inc.*, 449 F. Supp. 2d at 909-10; *United States v. Philip Morris USA*, 316 F. Supp. 2d 6, 10 n. 3 (D.C. Cir. 2004) (collecting cases); *United States v. Philip Morris, Inc.*, 116 F. Supp. 2d 131, 148-49 (D.D.C. 2000).

Plaintiff elects to raise information and belief be heard in this matter that Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) in a scheme for City of Flint residents and business along with their employees as well as the medical profession to buy, drink and otherwise using water contaminated with Trihalomethanes (THMs) above 80 parts per billion, supplied by the City of Flint past violations of RICO, Uniform Commercial Code (UCC), Federal Safe Water Act, Michigan Safe Water Act, State of Michigan Constitution and these United States Federal Constitution this Court establish the requisite reasonable likelihood of future violations in view of the totality of the circumstances, since these violation started at Trihalomethanes (THMs) above 80 parts per billion and have continued to Trihalomethanes (THMs) levels reaching 99 parts per billion. Second, Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) knowingly, recklessly, wantonly, and/or negligently poisoned the Plaintiff and all City of Flint residents and employees by causing City of Flint residents and business along with their employees as well as the medical profession who unknowingly and unwittingly to buy, drink and otherwise using water contaminated with Trihalomethanes (THMs) above 80 parts per billion, failed to rectify this problem, which it could and should have resolved, attempted to cover up the problem by issuing inadequate and misleading information, did not warn Plaintiff and all City of Flint residents and employees by causing City of Flint residents and business along with their employees as well as the medical profession the true nature and extent of the danger to those exposed to the water supplied by the City of Flint. Finally, Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) continued governance and or connection has continued the Scheme were Plaintiff and all City of Flint residents and employees by causing City of Flint residents and business along with their

employees as well as the medical profession who unknowingly and unwittingly to buy, drink and otherwise using water contaminated with Trihalomethanes (THMs) above 80 parts per billion

1962(d) It shall be unlawful for any person to conspire to violate any of the provisions of subsections (a), (b), or (c) of this section.

A RICO conspiracy is composed of two agreements:

(1) An agreement to commit at least two predicate acts which form the pattern of racketeering activity; and

(2) An agreement to the conduct which violates subsection (a), (b) or (c) of '1962, e.g. an agreement to conduct or participate in the affairs of an enterprise (subsection(c)).⁵

- A RICO conspiracy generally involves two groups of people- the conspirators and the enterprise.
- Under agency law, a corporation cannot conspire with its officers or employees.
- An overt act in furtherance of the conspiracy is required in civil cases. This requirement is distinct from the predicate act requirement, although the predicate act may satisfy the overt act requirement.

Plaintiff elects to raise information and belief be heard in this matter that Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) in a scheme for City of Flint residents and business along with their employees as well as the medical profession to ceasing buy, drink and otherwise using water contaminated with Trihalomethanes (THMs) above 80 parts per billion, supplied by the City of Flint. Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) this scheme to earn money derived from water continued being supplied by the City of Flint. See other predicate acts which were enacted during the conspiracy in the Plaintiff's ex parte Complaint.

⁵ US. v. Campione, 942 F.2d 429, 438 (7th Cir. 1991)

Plaintiff is likely to prevail the merit even if the some facts remain unclear or some merits cannot be determined without a full hearing:

As alleged in Plaintiff's *ex parte* Complaint, Plaintiff contends that concerning all of the material elements to sustain a recovery as a Breach of duty to Statutory Standard of Care (Negligence per se), Negligence, Breach Of Express Or Implied Contracts Or Even Speculation Of Bad Faith And Unfair Dealing, Civil Conspiracy, Breach of Express and Implied Good Faith and Fiduciary, and Constitutional Tort action under Uniform Commercial Code (UCC), Federal Safe Water Act, Michigan Safe Water Act, State of Michigan Constitution and these United States Federal Constitution which put the Defendants on notice of her claims and the grounds on which they rest.

Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) will not suffer irreparable injury from the preliminary injunction:

Properly stated, the definition of irreparable harm is whether there is or will be a "wrong which cannot be adequately redressed by relief on the merits." N.Y. Pathological and X-Ray Laboratories, Inc., v. Immigration and Naturalization Service, 523 F. 2d 79, 81 (2d Cir. 1975). Plaintiff's Injunctive relief in on forcible manner restrains Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) from any other method other than through their governance of the water supplied by the City of Flint for obtaining adequate compensation for their inability to their governance of the water supplied by the City of Flint.

Plaintiffs and all City of Flint residents and business along with their employees along with City of Flint business and medical professionals acute and long term exposure to Trihalomethanes (THMs) develop but not limited to certain cancers, such as bladder and colon

cancer, reproductive issues such as miscarriages, birth defects and low birth rates, damage to the heart, lungs, kidney, liver and central nervous system in the absence of an injunction will cause a noncompensable injury for which there is no legal measurement of damages or for which damages cannot be determined with a sufficient degree of certainty.

“Trihalomethane (THM) contamination was found in the municipal water supply during the 1990s. City officials have been accused of not telling the truth about the levels of THM in the Chesapeake area. Hiding test information on THM levels, failure to provide adequate warning of the high levels of THM in the water, and failure to let the public know about the THM and possible miscarriages, still births and birth defects. Some studies link THMs (Bromodichloromethane [BDCM]), to possible stillbirths, miscarriages and birth defects, and bladder and rectal cancers.” (Exhibit 3, p 3). In 2007, Taiwanese researchers found people who drank water with trihalomethane concentrations of more than 21 parts per billion had twice the odds of dying from bladder cancer than those who did not. (Exhibit 2, 2). Exhibit one, explain “[t]ypically, the following four THMs are found as a result of chlorination: trichloromethane (chloroform), bromodichloromethane (BDCM), dibromochloromethane (DBCM), tribromomethane (bromoform).” Further that, “[c]hloroform may be absorbed into the body through ingestion, inhalation, and through the skin. The largest source of human exposure to THMs in the U.S. is from the consumption of chlorinated drinking water. Besides consuming water, other water uses in the home may contribute significantly to total chloroform exposure both from breathing in chloroform vaporized into the air and from it passing through the skin during bathing. Swimming in chlorinated pools will also contribute to the total exposure from the same exposure paths. One study observed that a

greater percentage of chloroform passed through the skin when bathing water temperatures were increased.” (p 1).

TEMPORARY RESTRAINING ORDER WITHOUT WRITTEN OR ORAL NOTICE

In the present case, Plaintiff's attached affidavit clearly shows that immediate and irreparable injury will result to the movant before the Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) can be heard in opposition, such as in Exhibit one on page 2:

Short-Term (Acute) Effects

Evidence of chloroform's acute effects on humans has been obtained primarily during its past use as an inhalation anesthetic. In addition to central nervous system effects, chloroform anesthesia was associated with cardiac arrhythmias and abnormalities of the liver and kidneys. Inhalation exposure experiments with animals revealed that high levels are toxic to the liver and secondarily to the kidneys. Skin contact with undiluted chloroform may cause a burning sensation, redness, and blistering. Acute effects of exposure to the other THMs are not documented in the literature, but are expected to be similar to chloroform.

Long-Term (Chronic) Effects

Chronic oral exposure of humans to chloroform at high doses results in adverse effects on the central nervous system, liver, kidneys and heart. Animal studies have shown decreased body weights in rats and mice given chloroform at high oral doses and an increased incidence of respiratory disease at higher doses. At still higher doses given orally, liver abnormalities and decreased size of the reproductive organs were observed in rats. In animal studies investigating effects of chronic exposure to each of the other THMS, liver toxicity was observed. BDCM also caused kidney toxicity.

Carcinogenic (cancer-causing) Effects Chloroform has been demonstrated by several studies to produce kidney and liver tumors in rats and mice when given orally. In studies of human populations using chlorinated drinking water in which chloroform is the predominant THM, small increases in the incidence of rectal, colon and bladder cancer have been consistently observed, with evidence strongest for bladder cancer. However, because other possible carcinogens were found in this water, it is impossible to identify chloroform as the sole carcinogenic agent. Therefore, chloroform has been classified by the U.S. Environmental Protection Agency (EPA) as a Group B2 or "probable human carcinogen," based on sufficient animal evidence and inadequate human evidence of carcinogenicity. Evidence from animal studies now strongly indicates that chloroform exposure causes cancer only after first producing sustained cell toxicity. Because a certain threshold level of exposure is necessary to cause cell toxicity, cancer from chloroform exposure can only occur if that threshold is exceeded. Based on the results of animal studies in which BDCM exposure increased tumors of the large intestine, kidney, and liver, and bromoform increased tumors of the large intestine, they are also classified in Group B2. DBCM is classified in Group C, "possible human carcinogen," based on limited animal evidence of an increase in liver tumors.

Developmental/Reproductive Effects

Reports in the scientific literature in which chloroform was administered to animals indicate that chloroform has the potential to cause birth defects, miscarriages, and delays in fetal development. Results have generally been inconclusive regarding exposure to THMs and adverse developmental or reproductive effects in humans. However, the results of a recent study suggest an increased risk of early-term miscarriage from high

levels of THMs in tap water, particularly BDCM. Additional studies are underway to determine the significance of the association found in this study.

Plaintiff's Proof of Service evidences his efforts to give notice Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000). Plaintiff's Affidavit along with the above arguments combined with Statement of Facts gives reasons why this Court should issue a temporary restraining order without written or oral notice to Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000).

BOND

Plaintiff, *in pro per, sui juris*, being an indigent brought this matter before this honorable Court in the public interest to respectfully move this Court to Grant his Ex Parte Motion for a Temporary Restraining Order with Asset Freeze and Other Equitable Relief pursuant to Rule 65 of the Fed. R. Civ. P. 65 under Uniform Commercial Code (UCC), Federal Safe Water Act, and Michigan Safe Water Act.

The bond requirement's of Fed. R. Civ. P. 65 (c) serves two functions - deterrence of frivolous claims and compensation of the Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) - are often cited by commentators as compelling reasons for courts ordinarily to require security from injunction applicants. The requirement assumes that applicants will not be willing to lose money over cases in which they have no valid interest, or in which the factual or legal arguments are less than compelling. This assumption, however, is based on a further assumption: that the applicant can afford to post a bond. Only where the applicant can afford to post a bond does its failure to provide security reflect its lack of good faith or the lack of meritoriousness of its petition. The typical public interest plaintiff's failure to post a bond says nothing about its good faith or confidence of success, or the strength of its claim

for relief. For in the public interest context, the bond operates not as a screening device, eliminating some claims, but as a financial bar, blocking all claims. This argument was made by the Supreme Court with respect to double appeal bonds required by Oregon's wrongful detainer statute.⁶

Although the federal courts interpreted Rule 65(c) as a mandatory provision for the first forty years of its history, about half of the circuits now consider it a discretionary provision, reasoning that the phrase "such sum as the court deems proper" literally allows the trial judge to dispense with the bond.⁷ Recognizing that bond requirements can bar public interest litigants' access to court, the federal courts have fairly consistently decided not to require bonds in cases brought by indigents⁸ and those brought in public interest.

Denny v. Health and Social Services Board,⁹ Bass v. Richardson,¹⁰ Bartels v. Biernat¹¹, and Crowley v. Local No. 82 Furniture and Piano Movers¹² establish the general principle that the federal courts have been unwilling to condition preliminary relief upon the applicant's financial resources, at least when the applicant is a poor individual.

In Denny, two inferences can be drawn from the court's waiver of the security requirements. First, since the court did not rely on constitutional authority to waive the security requirement, it must have relied on its equity powers. Second, while it did not expressly state its

⁶ Lindsey v. Normet, 405 U.S. 56, 78 (1972). See also Henson & Gray, *supra* note 33, at 565-69.

⁷ This rationale was first articulated by the Sixth Circuit in Urbain v. Knapp Bros. Mfg. Co., 217 F.2d 810 (6th Cir. 1954), cert. denied, 349 U.S. 930 (1955).

⁸ See, e.g., Denny v. Health and Social Servs. Bd., 285 F. Supp. 526, 527 (E.D. Wis. 1968); Bass v. Richardson, 338 F. Supp. 478 (S.D.N. Y. 1971); Bartels v. Biernat, 405 F. Supp. 1012 (E.D. Wis. 1975); Wayne Chern., Inc. v. Columbus Agency Service Corp., 567 F.2d 692 (1977); Marsh v. Moore, 325 F. Supp. 392 (D. Mass. 1971). For an early article on the indigent exception, see generally Blood, Injunction Bonds: Equal Protection for the Indigent, 11 S. TEX. L. J. 16 (1969).

⁹ 285 F. Supp. 526 (E.D. Wis. 1968).

¹⁰ 338 F. Supp. 478 (S.D.N. Y. 1971).

¹¹ 405 F. Supp. 1012 (E.D. Wis. 1975).

¹² 697 F.2d 978 (1st Cir. 1982).

rationale for granting the waiver, its decision would appear to be based on the theory that it would be unjust to an individual to block adjudication for want of money, or on the theory that the legal system itself has an interest in having justiciable issues adjudicated in the judicial forum (rather than the streets), or both. Faced with blocking the indigent plaintiffs' access to court by requiring a bond they could not provide, the court waived the security requirement in a clear demonstration of its reluctance to condition judicial access upon the parties' financial resources.

Bass v. Richardson, decided in 1971, reiterated the *Denny* court's holding that bond should not be required of indigents. Like *Denny*, the *Bass* decision was based on the idea that it was unjust to require bonds of individuals when such a requirement blocked judicial access. The principle that bond requirements should be waived where necessary to affect a congressionally-intended private enforcement scheme adds the further equitable theory that the legal system has a positive interest in citizen enforcement, and that courts sitting in equity should waive bond requirements to encourage citizen suits. As then-Circuit Judge Burger stated in *Church of Christ*, in the context of listener intervention in agency proceedings:

The theory that the Commission can always effectively represent the listener interests in a renewal proceeding without the aid and participation of legitimate listener representatives fulfilling the role of private attorneys general is one of those assumptions we collectively try to work with so long as they are reasonably adequate. When it becomes clear, as it does to us now, that it is no longer a valid assumption which stands up under the realities of actual experience, neither we nor the Commission can continue to rely on it.

The *Bass* court's approach was extended in 1975, by the court in *Bartels v. Biernat*, it stated: "because the Court determined that the action concerns important social considerations,

the Court would exercise [its] discretion to issue preliminary injunctive relief ... without security." ¹³ Bartels seems to contemplate, therefore, an equitable private attorney general exemption triggered by the court's equitable determination that the public interest impact of the litigation requires a waiver of Rule 65(c). The shift in judicial focus from Denny to Bartels from the applicant's identity as an indigent, to whether cases involve significant social considerations.

In 1982, First Circuit decided in, *Crowley v. Local No. 82 Furniture and Piano Movers*¹⁴ created the first and the only bond exemption test developed by a federal court. First, the court in *Crowley* viewed the plaintiff access problem posed by Rule 65(c) as a recurring one that required a general test. Unlike the NEPA courts, the *Crowley* court fashioned a bond exemption test applicable to all public interest cases. Second, as discussed in the following section, the test in *Crowley* was a fundamentally "equitable" test whose triggering event was the noncommercial, public interest status of the plaintiff. On appeal, the First Circuit It divided bond cases into two types. The first type involved commercial cases where an unsecured injunction exposed the defendant to a risk of monetary IOSS.¹⁵ In these cases, the courts required bonds.¹⁶ The second type of case involved "important federal rights or 'public interests'" brought, often by indigents, under remedial social legislation.¹⁷ In these cases, the courts waived or nominalized bond requirements.¹⁸ After dividing the federal case law into "commercial" and "public interest" types, the court constructed its exemptions test. In making bond exemptions available to public interest

¹³ 405 F. Supp. 1019 (E.D. Wis. 1975).

¹⁴ 697 F.2d 978 (1st Cir. 1982).

¹⁵ 697 F.2d 1000 (1st Cir. 1982).

¹⁶ 697 F.2d 1000 (1st Cir. 1982).

¹⁷ 697 F.2d 1000 (1st Cir. 1982).

¹⁸ 697 F.2d 1000 (1st Cir. 1982).

litigants, the Crowley decision ensures that federal public interest litigation will not be barred by the applicants' limited financial resources.

IV. CONCLUSION

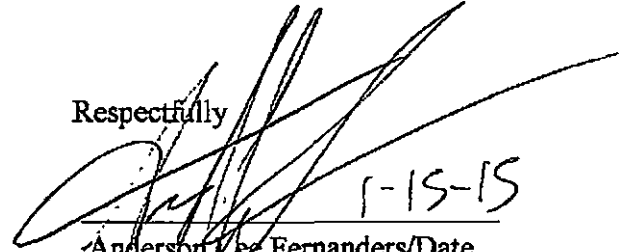
The harm suffered by Plaintiffs and all City of Flint residents and business along with their employees may not be remedied by any but the most immediate and comprehensive action by this Court. Each day that Plaintiffs and all City of Flint residents and business along with their employees along with City of Flint business and medical professionals are forced to go without domestic water supplied by the City of Flint which does not exceed the trihalomethanes (TTHM) MCL" neglectfully impacts our well-being and that of our families continues prolonged duress. Therefore, an order protecting Plaintiffs and all City of Flint residents and business along with their employees, as well as, along with City of Flint business and medical professionals from Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) actions and lack of action illuminated in the statements of fact is clearly in the public interest. Under RICO, Uniform Commercial Code (UCC), Federal Safe Water Act, Michigan Safe Water Act, State of Michigan Constitution and these United States Federal Constitution this Court has ample authority to grant the Debtor the relief requested in his *ex parte* Motion for a Temporary Restraining Order with Asset Freeze and Other Equitable against Defendants and Mr. and Ms/Mrs. Jane and John Doe/Unknown (1 to 1000) and should do so to permit the Anderson Lee Fernanders to be made whole.

V. RELIEF

WHEREFORE, Anderson Lee Fernanders prays that this Honorable Court make him whole by granting recovery of and all other relief sought in his Ex Parte Motion for a Temporary

Restraining Order with Asset Freeze and Other Equitable and other relief that this Court finds as
may be just and proper in the premises.

Respectfully

A large, stylized handwritten signature in black ink, appearing to read 'Anderson Lee Fernanders', is written over the word 'Respectfully' and the date.

1-15-15

Anderson Lee Fernanders/Date
5801 Marlowe Drive
Flint, MI 48504
(216) 272-3539

UNITED STATES DISTRICT COURT EASTERN DISTRICT
OF MICHIGAN SOUTHERN DIVISION

ANDERSON LEE FERNANDERS

Plaintiff,

V

Case No. 2:15-cv-10083

Hon. Avern Cohn

Mag. Steven R Whalen

JEFF WRIGHT
GENESEE COUNTY DRAIN COMMISSIONER,
DARNELL EARLE
FLINT'S STATE-APPOINTED
EMERGENCY MANAGER,
DAYNE WALLING
MAYOR OF THE CITY OF FLINT,

AND

MR. AND MS/MRS. JANE AND
JOHN DOE/UNKNOWN (1 TO 1000)
Defendants.

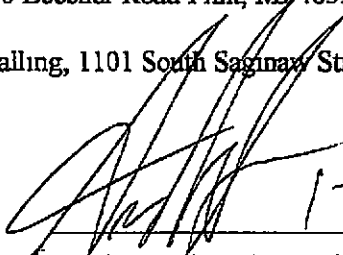
_____/

JEFF WRIGHT
DARNELL EARLE
DAYNE WALLING

_____/

PROOF OF SERVICE

I hereby certify that I mailed a copy of this Ex Parte Motion for a Temporary Restraining Order with Asset Freeze and Other Equitable Relief, and Affidavit by prepaid U.S. First Class Mail, to the following persons on 15 of January 2015: Jeff Wright, 4610 Beecher Road Flint, MI 48532; Darnell Earle, 1101 S. Saginaw St. Flint, MI 48502; and Dayne Walling, 1101 South Saginaw Street # 101 Flint, MI 48502.

 1-15-15

Anderson Lee Fernanders/Date

UNITED STATES DISTRICT COURT EASTERN DISTRICT
OF MICHIGAN SOUTHERN DIVISION

ANDERSON LEE FERNANDERS

Plaintiff,

V

Case No. 2:15-cv-10083

Hon. Avern Cohn

Mag. Steven R Whalen

JEFF WRIGHT

GENESEE COUNTY DRAIN COMMISSIONER,

DARNELL EARLE

FLINT'S STATE-APPOINTED

EMERGENCY MANAGER,

DAYNE WALLING

MAYOR OF THE CITY OF FLINT,

AND

MR. AND MS/MRS. JANE AND

JOHN DOE/UNKNOWN (1 TO 1000)

Defendants.

AFFIDAVIT

I, Anderson Lee Fernanders, certify that the following information presented in this affidavit is true and accurate to the best of my knowledge: It is my understanding and belief that information included in Exhibits 1 thru 3 of his Ex Parte Motion for a Temporary Restraining Order with Asset Freeze and Other Equitable Relief are true and accurate to the best of my knowledge and are hereby incorporated as if fully set forth herein in this affidavit.

1-15-15
Anderson Lee Fernanders

Subscribed and sworn to before me on this date 1-15-15, Genesee County, Michigan

My commission expires on this date: 5-10-21, Notary public, State of

Michigan, County of: Genesee

AMANDA CALDWELL
NOTARY PUBLIC - MICHIGAN
GENESEE COUNTY
MY COMMISSION EXPIRES 05-10-2021
/OTIC IN GENESEE COUNTY

Amanda Caldwell

Signature of Notary Public

Amanda Caldwell

Name of Notary Public

NOTARY PUBLIC

Genesee

Exhibit 1

ENVIRONMENTAL Fact Sheet



29 Hazen Drive, Concord, New Hampshire 03301 • (603) 271-3503 • www.des.nh.gov

ARD-EHP-13

2006

Trihalomethanes: Health Information Summary

Trihalomethanes (THMs) are a group of organic chemicals that often occur in drinking water as a result of chlorine treatment for disinfectant purposes and, therefore, are also known as "disinfection byproducts" or DBPs. THMs are formed when chlorine reacts with naturally occurring organic material found in water such as decaying vegetation. Typically, the following four THMs are found as a result of chlorination: trichloromethane (chloroform), bromodichloromethane (BDCM), dibromochloromethane (DBCM), tribromomethane (bromoform).

Untreated or raw water rarely contains THMs in significant concentrations. Since chloroform is the THM found in highest concentrations and about which the most is known, the bulk of the information contained in this summary will pertain to chloroform.

Chloroform was once used as an anesthetic during surgery. Most chloroform produced today is used to make other chemicals. Chloroform is produced in the bleaching process of the pulp and paper industry and may also be formed in wastewater, which is often chlorinated in order to kill bacteria. Environmental release of chloroform is largely to air during pulp and paper bleaching and chlorination of drinking and wastewater, with a small amount released to water.

Information regarding the production and use of bromoform, BDCM, and DBCM is very limited. Bromoform appears to be produced in small quantities for use as a chemical intermediate and the other two THMs are thought to be produced in small quantities for laboratory use. Environmental release of these three THMs is largely to air during water chlorination.

Health Effects

Absorption and Exposure

Chloroform may be absorbed into the body through ingestion, inhalation, and through the skin. The largest source of human exposure to THMs in the U.S. is from the consumption of chlorinated drinking water. Besides consuming water, other water uses in the home may contribute significantly to total chloroform exposure both from breathing in chloroform vaporized into the air and from it passing through the skin during bathing. Swimming in chlorinated pools will also contribute to the total exposure from the same exposure paths. One study observed that a greater percentage of chloroform passed through the skin when bathing water temperatures were increased. Chloroform does not concentrate in plants; therefore, the contribution from food to total chloroform exposure is small.

Short-Term (Acute) Effects

Evidence of chloroform's acute effects on humans has been obtained primarily during its past use as an inhalation anesthetic. In addition to central nervous system effects, chloroform anesthesia was associated with cardiac arrhythmias and abnormalities of the liver and kidneys. Inhalation exposure experiments with animals revealed that high levels are toxic to the liver and secondarily to the kidneys. Skin contact with undiluted chloroform may cause a burning sensation, redness, and blistering.

Acute effects of exposure to the other THMs are not documented in the literature, but are expected to be similar to chloroform.

Long-Term (Chronic) Effects

Chronic oral exposure of humans to chloroform at high doses results in adverse effects on the central nervous system, liver, kidneys and heart.

Animal studies have shown decreased body weights in rats and mice given chloroform at high oral doses and an increased incidence of respiratory disease at higher doses. At still higher doses given orally, liver abnormalities and decreased size of the reproductive organs were observed in rats. In animal studies investigating effects of chronic exposure to each of the other THMs, liver toxicity was observed. BDCM also caused kidney toxicity.

Carcinogenic (cancer-causing) Effects

Chloroform has been demonstrated by several studies to produce kidney and liver tumors in rats and mice when given orally. In studies of human populations using chlorinated drinking water in which chloroform is the predominant THM, small increases in the incidence of rectal, colon and bladder cancer have been consistently observed, with evidence strongest for bladder cancer. However, because other possible carcinogens were found in this water, it is impossible to identify chloroform as the sole carcinogenic agent. Therefore, chloroform has been classified by the U.S. Environmental Protection Agency (EPA) as a Group B2 or "probable human carcinogen," based on sufficient animal evidence and inadequate human evidence of carcinogenicity. Evidence from animal studies now strongly indicates that chloroform exposure causes cancer only after first producing sustained cell toxicity. Because a certain threshold level of exposure is necessary to cause cell toxicity, cancer from chloroform exposure can only occur if that threshold is exceeded.

Based on the results of animal studies in which BDCM exposure increased tumors of the large intestine, kidney, and liver, and bromoform increased tumors of the large intestine, they are also classified in Group B2. DBCM is classified in Group C, "possible human carcinogen," based on limited animal evidence of an increase in liver tumors.

Developmental/Reproductive Effects

Reports in the scientific literature in which chloroform was administered to animals indicate that chloroform has the potential to cause birth defects, miscarriages, and delays in fetal development. Results have generally been inconclusive regarding exposure to THMs and adverse developmental or reproductive effects in humans. However, the results of a recent study suggest an increased risk of early-term miscarriage from high levels of THMs in tap water, particularly BDCM. Additional studies are underway to determine the significance of the association found in this study.

Health Standards and Criteria

The EPA has established a Maximum Contaminant Level (MCL) for total THMs in public drinking water systems. MCLs are enforceable drinking water standards determined by balancing the adverse health effects of a particular chemical against the feasibility and costs of treating contaminated water, and in the case of THMs, a consideration of the benefits of chlorination in reducing the risk from acute gastrointestinal diseases. The MCL for total THMs is 80 parts per billion (ppb = micrograms per liter (ug/l)).

Although chloroform is considered to be a probable human carcinogen, sufficient evidence has accumulated to indicate that it causes cancer only if, as previously explained, exposure exceeds the threshold level needed to cause cell toxicity. That threshold exposure has been calculated to be greater than the exposure level at which the most sensitive non-cancer adverse health effect, fatty cyst formation in the liver, may occur. Therefore, exposure at or below the state drinking water standard for chloroform of 70 ppb is not anticipated to result in either adverse non-cancer health effects or cancer.

The standard is based on an average daily intake of two liters (0.53 gallons) of water per day by a 70-kilogram (154 lb.) adult for a chronic time period. It is important to note that the 70 ppb state standard for chloroform is actually only 20 percent of the total safe exposure. This allows for a margin of safety and for water exposures that occur during bathing by inhalation of vaporized chloroform and absorption through the skin.

State drinking water standards developed for the other three THM compounds are 0.6 ppb for BDCM, 60 ppb for DBCM, and 5 ppb for bromoform. The drinking water standards for the four individual contaminants apply only if a water source was not intentionally chlorinated. If the well or water body was chlorinated, the federal MCL for the sum of the four THMs applies.

For more information, please contact the DES Environmental Health Program, 29 Hazen Drive, Concord, NH 03302-0095; (603) 271-4608.

Suggested Reading and References

Casarett and Doull's Toxicology: The Basic Science of Poisons, Sixth Edition. Klaassen, C.D., ed. McGraw-Hill Publishing Co., Inc., New York, 2001.

National Primary Drinking Water Regulations: Disinfectants and Disinfection Byproducts Notice of Data Availability; Proposed Rule. U.S. EPA. Fed. Reg. 40 CFR Parts 141 and 142, Tuesday, March 31, 1998.

Information on chloroform. Hazardous Substances Data Bank (HSDB). Toxicology Data Network (Toxnet). www.toxnet.nlm.nih.gov. Last revised August, 2003.

Toxicological Profile for Chloroform (Update). Agency for Toxic Substances and Disease Registry (ATSDR). Atlanta, GA. September, 1997.

Toxicological Review of Chloroform. U.S. EPA. Washington, DC. EPA/635/R-01/001. October, 2001.

Toxicological information on bromodichloromethane. Integrated Risk Information System (IRIS). U.S. EPA, Office of Health and Environmental Assessment.

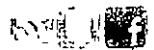
Toxicological information on bromoform. Integrated Risk Information System (IRIS). U.S. EPA, Office of Health and Environmental Assessment.

Toxicological information on dibromochloromethane. Integrated Risk Information System (IRIS). U.S. EPA, Office of Health and Environmental Assessment.

- [9/11 Litigation](#)
- [About](#)
 - [Staff](#)
 - [Board of Directors](#)
 - [Board of Advisors](#)
 - [Press Releases](#)
 - [Copyright notice](#)
- [Advertise](#)
- [Blog Roll](#)
- [Broward Bulldog's donors](#)
 - [Donors - 2010-2011](#)
 - [Donors - 2011-2012](#)
 - [Donors - 2012-2013](#)
 - [Donors - 2013-2014](#)
- [Contact](#)
- [Digital Broward: Faces and Places](#)
 - [New Photo Upload Test](#)
- [Donate to Broward Bulldog](#)
- [See Click Fix](#)
- [Video: An Evening With Michael Connelly](#)
- [Video: Bob Graham on Unanswered Questions of 9/11](#)
- [Video: Welcome to Broward Bulldog](#)
- [Donate](#)
- [Policies](#)



- [Home](#)
- [Video](#)
 - [Video: An Evening With Michael Connelly](#)
 - [Video: Bob Graham on Unanswered Questions of 9/11](#)
- [About](#)
 - [Staff](#)
 - [Contact](#)
 - [Board of Directors](#)
 - [Board of Advisors](#)
 - [Policies](#)
 - [Copyright notice](#)
- [Press Releases](#)
- [See Click Fix](#)
- [Blog Roll](#)
- [Advertise](#)
- [9/11 Litigation](#)
- [Donors](#)
 - [Donors - 2013-2014](#)
 - [Donors - 2012-2013](#)
 - [Donors - 2011-2012](#)
 - [Donors - 2010-2011](#)



PROSTATE CANCER STAGES

Know The Early Stages Of Prostate Cancer. Expert Advice & Info Here

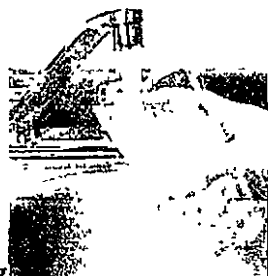
February 27, 2013 at 11.19 am

Report points to cancer risk from chemicals used to treat drinking water

Filed under [Bulldog Extra](#), [Environment](#), [Public Health](#) {no comments}

Like Be the first of your friends to like this.

Share:            



By Bridget Huber, FairWarning

Chemicals used to treat drinking water for millions of Americans may raise the risk of cancer and lead to other unintended health hazards, according to a report released today by the Environmental Working Group, an advocacy organization.

The group is urging the U.S. Environmental Protection Agency to reevaluate its standards for the byproducts created when water is disinfected. The Environmental Working Group also is pushing officials to clean up sources of public drinking water to reduce the need for chemical treatment in the first place.

"By failing to protect source water, Congress, EPA and polluters leave Americans with no choice but to treat it with chemical disinfectants and then consume the residual chemicals generated by the treatment process," the report says. (See page 13 of the report for a list of contaminant levels at water suppliers in Florida and elsewhere).

Chlorine and other chemicals are added to public drinking water to kill disease-causing bacteria and other microorganisms. But when they come into contact with organic material such as fallen leaves, sewage or livestock manure, reactions occur that create toxic byproducts.

Some of the resulting compounds are regulated, but most are not. "We're talking about 600 known disinfection byproducts and probably many hundreds more that haven't been identified," said Rence Sharp, a senior scientist at the Environmental Working Group and a co-author of the report.

Researchers analyzed results from water quality tests done in 2011 at 201 large municipal water systems that serve more than 100 million people in 43 states. They found trihalomethanes, a byproduct of chlorination, in every system. The EPA calls some members of this class of chemicals "probable human carcinogens" and studies have linked them to bladder cancer, birth defects and miscarriages. However, only one water treatment system exceeded the EPA's limits for the chemicals, which was set at 80 parts per billion in 1998.

But the report argued that the EPA's limits are too lax, citing several studies linking even lower levels of the chemicals to health problems. For example, in 2011 a French research team analyzing data from three countries found that men exposed to more than 50 parts per billion of trihalomethanes (try-hal-o-MEH-thanes) had significantly increased cancer risks.

In 2007, Taiwanese researchers found people who drank water with trihalomethane concentrations of more than 21 parts per billion had twice the odds of dying from bladder cancer than those who did not. In 2010, California environmental health regulators proposed a public health goal for trihalomethanes of 0.8 parts per billion — one-hundredth of the federal standard. The goal, which would not be legally binding, is in the process of being finalized.

But David Savitz, a professor of community health at Brown University who has studied the issue, says the chemical byproducts created by disinfection are only of "modest concern." He faulted the report's authors for selectively focusing on studies that suggested evidence of harm while ignoring ones that did not. "The general tone of this report is alarmist and exaggerated," he said.

In response, Sharp said both the EPA and California health officials have concluded that lowering the levels of trihalomethanes in drinking water would cut the number of bladder cancer cases. "We are not the only ones saying this," she said.

The EPA, which previously has considered lowering the limit for trihalomethanes, declined to comment on the new report. In 2005, it proposed a rule that would have lowered the limit to 40 parts per billion, a move that it calculated would prevent nearly 1,300 cases of bladder cancer and save the U.S. between \$2.9 and \$7.1 billion annually. Instead of adopting the rule, however, the agency made what the report called "marginal" improvements in its system for measuring compliance with existing regulations. The EPA said these changes will prevent 280 cases of bladder cancer annually.

Analysts also found that levels of trihalomethanes in public water systems vary throughout the year, depending on factors including farming cycles. The EPA, however, regulates the chemicals based on an annual average, which means that spikes in the byproducts may go undetected.

This is of particular concern for pregnant women, said Sharp, since a fetus could be exposed to higher levels of the chemicals during crucial stages in development. "If you are thinking about pregnancy and the possibility for miscarriage or birth defects or stillbirth or any number of pregnancy or reproduction-related effects, then having short-term spikes can really make a difference."

Health concerns have prompted some public water systems to switch from chlorine to chloramines, compounds made from chlorine and ammonia gases. This substitution, however, may usher in other problems.

For example, Environmental Working Group researchers cited EPA data reporting that drinking water treated with chloramines had the highest levels of an unregulated and potentially highly toxic class of chemicals called haloacids. Chloramine also forms nitrosamine compounds, which are related to chemicals "reasonably anticipated" to be human carcinogens, according to the federal National Toxicology Program.

The Environmental Working Group recommends all people drinking tap water to use carbon filtration systems and released a guide for consumers. Savitz, in contrast, said, "It's really an individual judgment."

But Sharp said the real solution is reducing pollution farther upstream. "The answer is truly to have cleaner source water and put more resources into cleaning up source water to begin with."

Related posts:

1. New tanning industry campaign to dismiss skin cancer threat draws fire from doctors' group
2. South Florida water district to re-think policies that skirt state law on influence-peddling
3. Loophole in law lets lobbyists dodge disclosure at South Florida Water Management District
4. Water District's watered-down rules let ex-chairman-turned-lobbyist dodge conflict law
5. Years later, Water District eyes suing Hollywood pump maker to recover lost taxpayer dollars

[← Next post](#) [Previous post →](#)

Related posts:

1. New tanning industry campaign to dismiss skin cancer threat draws fire from doctors' group
2. South Florida water district to re-think policies that skirt state law on influence-peddling
3. Loophole in law lets lobbyists dodge disclosure at South Florida Water Management District
4. Water District's watered-down rules let ex-chairman-turned-lobbyist dodge conflict law
5. Years later, Water District eyes suing Hollywood pump maker to recover lost taxpayer dollars

Dan Christensen tagged this post with: [chemical treatment](#), [drinking water](#), [Environmental Protection Agency](#), [Environmental Working Group](#), [EPA](#), [Read 548 articles by Dan Christensen](#)

Leave a Reply

Name (required)

Mail (will not be published) (required)

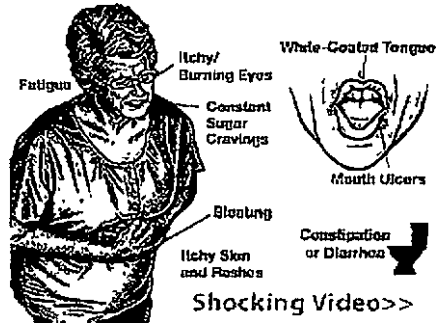
Website

[Submit Comment](#)

[Donate to Florida Bulldog](#)

[List of donors to Florida Bulldog](#)

Do You Have These?

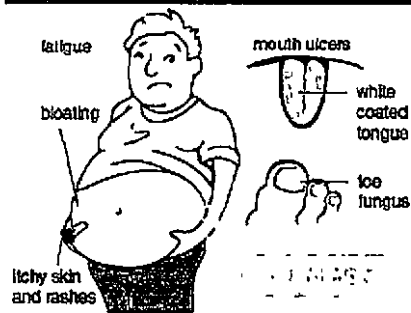


Bulldog Archives

Select Month ▼

Search

Do you have these symptoms?



Find us on Facebook



BrowardBulldog.org
Like



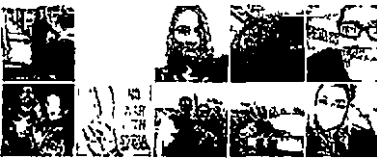
BrowardBulldog.org
Yesterday at 8:18am

TO OUR READERS
Broward Bulldog has a new name, Florida Bulldog. The change recognizes what you already know -- that the Bulldog's brand of nonprofit, nonpartisan watchdog news coverage often extends beyond Broward County.



Welcome to Florida Bulldog;

1,427 people like BrowardBulldog.org



Facebook social plugin



Theme [SWIFT](#) by Satish Gandham, in partnership with [Snipsly.Com](#) - Make money writing
Copyright © 2010 [Florida Bulldog](#) | [Entries \(RSS\)](#) and [Comments \(RSS\)](#) powered by [WordPress](#) [[Back to top ↑](#)]

Trihalomethanes in Drinking Water

SPECIAL REPORT

March 2002

Trihalomethane is a by-product that comes from chlorination.

It is one of the toxic carcinogens created when Chlorine reacts with organic matter in water. When this matter decays - somewhat like compost materials (leaves, bark, sediments) Trihalomethanes are formed. This includes chemicals called chloroform, bromoform and dichlorobromomethane. Even in small amounts they are all very carcinogenic.

Since the publication of the study by Environmental Working Group and the Public Interest Research Groups, trihalomethanes have been the focus of news articles across the United States. Following are a few excerpts from articles that relate to nationwide water issues, followed by the Water Quality Association's recommendation of a home water filtration system to protect consumers from potential health problems associated with trihalomethanes.

THMs (Trihalomethanes) in blood increase after shower
Chapel Hill, NC, May 3, 2002 (Water Tech Online)

THMs, by-products from chlorination, appear to increase significantly in the bloodstream after showering, says a study by researchers at the University of North Carolina (UNC) at Chapel Hill School of Public Health.

Public health experts suspect the chemicals might boost the risk of cancer and contribute to reproductive problems such as miscarriages, a release by UNC said.

Through blood sample analysis, researchers measured THMs in the blood of 25 women at each site before and soon after they showered, and compared those levels to concentrations found in tap water in their houses.

THM concentrations were around 1,000 times lower in blood than in tap water, but after the showers, median levels in blood increased by a factor of four.

February 10, 2002, - From Washington, DC (Washington Post)

"Annette Spaven already had three children when she found out she was pregnant again four years ago. She and her husband were surprised but pleased by the prospect of welcoming another child into their Chesapeake, VA home. So when she suffered a miscarriage in the first trimester, they tried again. Six months later, she lost another baby.

About the same time, two women on her block had miscarriages. Across town, a woman gave birth to a boy who died shortly after birth. For more than a decade, they and others wondered why they'd suddenly lost their pregnancies.

Today, many are wondering if they might have lost their babies simply because they drank tap water while they were pregnant. It's a question that has roiled this booming port

community ever since residents became aware of controversy surrounding chemicals in the public drinking supply. Now, 25 women are suing the city, and nearly 170 more have filed their intentions to do so.

In a statement last month, the EPA called the issue of chlorination byproducts in drinking water an important health concern.

Meanwhile, however, millions of Americans are unaware of what their water utilities know: The levels of chlorination byproducts in their drinking water often spike higher than the EPA's allowable annual average.

The EPA does not require this information to be included in regular water quality reports from utilities."

For the complete article, go to: [Click or paste - http://www.washingtonpost.com/ac2/wp-dyn/A51936-2002Feb9?language=printer](http://www.washingtonpost.com/ac2/wp-dyn/A51936-2002Feb9?language=printer)

February 8, 2002, - From Alamo, Texas (The Monitor)

"A woman has filed a lawsuit against the city of Alamo, claiming that trihalomethanes (THMs) caused her to miscarry three times.

In the suit, Judith Expericueta says she drank Alamo's tap water during her pregnancies and the chemicals in it caused her to have three spontaneous miscarriages.

The EPA says that concentrated exposure to THMs may elevate the risk of spontaneous miscarriages during the first trimester. The TNRCC said the city of Alamo has the highest levels of THMs in Texas, but stressed that there is no immediate cause for alarm. The agency has cited the city several times in the past two years for exceeding the acceptable limit.

Alamo's THM levels for two years has been between 88.83 and 141.03 parts per billion. The state on January 1st set the maximum acceptable limit at 80 parts per billion."

January 22, 2002, - From Boston, Massachusetts (Ascribe News)

"Environmental epidemiologists from the Harvard School of Public Health analyzing tap water samples from 36 surface water systems throughout Massachusetts have found high levels of disinfection by-products (DBPs), which form during water treatment and transport, and a wide range of by-product activity in the water supplies they tested.

Using 88 tap water samples from 36 Massachusetts communities taken between spring 1997 and fall 1998, the researchers studied how the formation of DBPs is influenced by water treatment. Within the communities in the study, 24 used chlorine to disinfect the water supply with 10 of those towns chlorinating their water twice prior to distribution. One town used ozone and another used chlorine dioxide for disinfection. The remaining 12 used chloramine to disinfect their water supply. The researchers found that water that had been chlorinated multiple times prior to distribution was associated with higher THM levels and that THM levels are generally higher in the spring. "

February 19, 2002, - Westminster, Maryland (Carroll County Times)

"Maryland's tap water may be putting women at risk of having pregnancies end in miscarriage or having children with birth defects, according to a report by two environmental groups (Public Interest Research Groups and Environmental Working Group).

14 communities in Maryland had a relatively high proportion of people projected to be at risk from using their local drinking water. The group arrived at its findings after reviewing data on tap water contaminated by trihalomethanes, one of the principal byproducts of chlorination. The Maryland Department of the Environment, Water Management Administration, provided these results."

The full report is available at: Click or Paste - <http://www.marypirg.org>

January 11, 2002, - Florida (Florida Today)

"The water they drink puts more than 1,700 pregnant women in Florida at risk of miscarriages or birth defects each year, according to a study released by two environmental groups (Public Interest Research Groups and Environmental Working Group).

Florida ranked 14th worst in the nation for the number of pregnancies at risk of exposure to high levels of chlorination byproducts, the study found. Boca Raton was the worst in the state and 36th in the nation with 654 pregnancies at risk. "

THM victims group formed

Chesapeake, VA, March 21, 2001 (Water Tech Online) –

"Trihalomethane (THM) contamination was found in the municipal water supply during the 1990s. City officials have been accused of not telling the truth about the levels of THM in the Chesapeake area. Hiding test information on THM levels, failure to provide adequate warning of the high levels of THM in the water, and failure to let the public know about the THM and possible miscarriages, still births and birth defects.

Some studies link THMs (Bromodichloromethane [BDCM]), to possible stillbirths, miscarriages and birth defects, and bladder and rectal cancers. The Virginian Pilot reported that Chlorine mixes with organic materials, like algae and leaf particles, which includes chloroform and BDCM. In 1998, THM was suspected as a carcinogen and possible cause of miscarriages. Around that time, a new water treatment plant was being upgraded and reports say the levels of THM were higher than normal for about nine months. "

January 11, 2002, - Lisle, Illinois (PR Newswire)

"Chlorination of public drinking water may lead to harmful chemical byproducts such as chloroform, trihalomethanes, and haloacetic acids flowing from home taps according to a study released by the Environmental Working Group and the Illinois Public Interest Research Group.

The study reports that such byproducts in drinking water may put pregnant women at a

higher risk for miscarriages, neural tube defects, and reduced fetal growth. At the same time, physicians universally recommend that pregnant women drink plenty of water.

The issue is complex. Chlorination of public drinking water ensures that consumers have safe drinking water according to the Water Quality Association. Together with filtration, chlorination is one of the greatest public health advancements of this millennium, notes WQA Executive Director Peter Censky. Unfortunately, however, chlorination does introduce potentially toxic contaminant byproducts.

There is a solution to the dilemma, however. Consumers can have the best of both worlds when it comes to their household water supply. Municipal water treatment systems must continue to use essential chlorination processes to safeguard against bacteria, viruses, and protozoa. Fortunately, there are several at-home devices that cheaply and simply remove possible chlorine byproducts, Harrison notes.

In addition to safeguarding pregnant women and potential bladder cancer victims from more than 100 potentially toxic chlorination byproduct compounds, commonly available home filtration units can also remove unpleasant tastes and smells associated with chlorinated water."

More Information on Chlorine - [CLICK HERE -
http://www.theolivebranch.com/water/chlorine.htm](http://www.theolivebranch.com/water/chlorine.htm)

More News on Water - <http://www.theolivebranch.com/water/news.htm>

Business Opportunity	Current Price and Questions?	HOME PAGE
--------------------------------------	--	---------------------------

K. Culbreth, Independent Distributor

[TOP OF PAGE]

The ads and views expressed on this link exchange
are not necessarily endorsed by our Company.

Exhibit 4

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

City of Flint Did Not Meet Treatment Requirements

Our water system was recently found to be in violation of a drinking water standard. Although this incident was not an emergency, as our customers, you have a right to know what happened and what we are doing to correct this situation.

We routinely monitor for the presence of drinking water contaminants. Samples were collected for total trihalomethanes (TTHM) analysis from eight locations on a quarterly basis (May 21, August 21, and November 20 of 2014). The average of the results at ANY of the eight locations must not exceed the maximum contaminant level (MCL) for TTHMs, otherwise our water system exceeds the Maximum Contaminant Level (MCL). The standard for TTHMs is 80 ug/L. The location reporting the highest TTHM level was 99 ug/L; thus, our water system exceeds the TTHM MCL.

What should I do?

- There is nothing you need to do unless you have a severely compromised immune system, have an infant, or are elderly. In that case, you may be at increased risk and should seek advice about drinking water from your health care provider.
- You do not need to boil your water or take other corrective actions. If a situation arises where the water is no longer safe to drink, you will be notified within 24 hours.

What does this mean?

This is not an emergency. If it had been an emergency, you would have been notified within 24 hours.

People who drink water containing trihalomethanes in excess of the MCL over many years may experience problems with their liver, kidneys, or central nervous system, and may have an increased risk of getting cancer.

What is being done?

We are currently working on solutions to correct the problem. We anticipate resolving the problem in 2015.

For more information, please contact Mr. Brent Wright or Mike Glasgow at 810-787-6537 or the Water Plant at 4500 North Dort Highway, Flint, MI 48505.

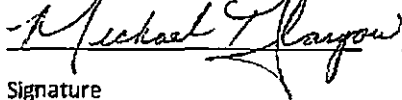
Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by the City of Flint.

CERTIFICATION: F1 S3

WSSN: 02310

I certify that this water supply has fully complied with the public notification requirements in the Michigan Safe Drinking Water Act, 1976 PA 399, as amended, and the administrative rules. Reminder to water supplier: This notice/certification must be sent to the DEQ.



Signature

Assistant Supervisor

Title

1/2/15

Date Distributed

Steckelberg, Larry (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Monday, January 25, 2016 7:21 AM
To: Byrne, Randall (Treasury)
Cc: Schafer, Suzanne K. (Treasury); Steckelberg, Larry (TREASURY); Koryzno, Edward (Treasury); Saxton, Thomas (Treasury)
Subject: Re: Flint Consultant Selection Process

Lets talk on our 9:00 Flint call

Sent from my iPhone

On Jan 25, 2016, at 7:12 AM, Byrne, Randall (Treasury) <ByrneR1@michigan.gov> wrote:

Wayne, Suzanne, and Larry:

I received this email from Tetra Tech on Friday. Please discuss and advise.

Thanks,
Randy

From: Cooperwasser, Victor [<mailto:Victor.Cooperwasser@tetrattech.com>]
Sent: Friday, January 22, 2016 9:33 AM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Flint Consultant Selection Process

Good Morning Randy:

Per my voicemail to you this morning, the EPA's Order, in part, requires a "publicly transparent process" to get nationally recognized water treatment experts on board as mentioned in item 4 on the second page of US EPA Administrator McCarthy's letter to Governor Snyder, attached.

In regard to item 5 of Ms. McCarthy's letter regarding the "affirmative determination" that Flint has the "technical, managerial, and financial capacity" to make the transition to the KWA, the Flint Drinking Water Task Force's recommendations, attached, recommend that "Flint develop and implement a Performance Assessment Plan prior to distribution of water from the KWA...".

Tetra Tech has the expertise to provide the required services and desires information regarding the process that will be used for consultant selection.

Thank you for any assistance you can provide.

Best regards,
Vic

Victor I. Cooperwasser, PE| Senior Project Manager
Direct 734 [REDACTED] | Mobile 734 [REDACTED] Fax 734 213 3003
victor.cooperwasser@tetrattech.com

Tetra Tech | Water, Environment & Infrastructure Group | US Based Operations
710 Avis Drive, Suite 100 | Ann Arbor, MI 48108 | www.tetrattech.com

PLEASE NOTE This message including any attachments may include privileged confidential and/or inside information Any

distribution or use of this communication by anyone other than the intended recipient is strictly prohibited and may be unlawful. If you are not the intended recipient, please notify the sender by replying to this message and then delete it from your system.

<ff-5_performance_evaluation_period_12-16-15_final_0.pdf>

<McCarthyLettertoRickSnyder.pdf>



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON D C 20460

FILE 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 MDLQ, 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 MDLQ, 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/ml/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.

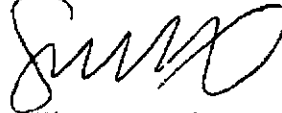
For these reasons, the EPA's Order requires the state and the city to take a number of actions, summarized below, to ensure that Flint's drinking water system is re-optimized for corrosion control, that the city establishes the capacity to safely and effectively operate its drinking water system, and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

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

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.

Pleyte, Beth (Treasury)

From: Saxton, Thomas (Treasury)
Sent: Monday, January 25, 2016 9:54 AM
To: Steckelberg, Larry (TREASURY)
Subject: FW: Message from "RNP002673A81665"
Attachments: 20160119133448197.pdf

From: Saxton, Thomas (Treasury)
Sent: Tuesday, January 19, 2016 5:11 PM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Cc: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: RE: Message from "RNP002673A81665"

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 [DEQ] would need to confirm their accuracy.

Just quickly, 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 add'l cost, they were long term & the fact the City had executed a contract with KWA. On Jan 12 '15 they waived the reconnection fee but there were still issues re the length/term of the commitment.

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

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@michigan.gov>; Sally Durfee
<sdurfee05@michigan.gov>
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

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 Karamond 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 too 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.

Steckelberg, Larry (TREASURY)

From: Saxton, Thomas (Treasury)
Sent: Monday, January 25, 2016 9:55 AM
To: Steckelberg, Larry (TREASURY)
Subject: FW: Timeline Follow-up Questions

From: Saxton, Thomas (Treasury)
Sent: Wednesday, January 20, 2016 3:20 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>; Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: RE: Timeline Follow-up Questions

So in re-reviewing the timeline are you guys good with the timeline other than the points I outlined/noted yesterday i.e., are there any other refinements?

From: Byrne, Randall (Treasury)
Sent: Wednesday, January 20, 2016 1:45 PM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>; Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: FW: Timeline Follow-up Questions

Tom:

This is in response to your earlier email.

Randy

From: Heimann, Alexandr (TREASURY)
Sent: Wednesday, January 20, 2016 1:36 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Timeline Follow-up Questions

Hello Randy,

I have finished reviewing the follow-up questions that you sent to me, and after reviewing all of our documents, here are my responses:

Timeline questions follow-up

Response

1. Most of these dates involve DEP et al in which we/Treasury did not play a role i.e., someone else [DEQ] would need to confirm their accuracy
2. Just quickly, items we would question from the document or need to investigate further...

3. 12/20/12 (p.1) – we don't have the notification that is referenced

"The City of Flint notifies the Treasury that it is no longer considering using the Flint River as a water supply"

- Cannot find documentation that this occurred.
- During that time period, the Treasury was analyzing the report from Tucker and Young study, and had not even received a proposal from DWSD.

4. 3/29/13 (p.2) – we are not aware of any veto by Kurtz

"EM Kurtz Vetoes Flint City Council's changes to the KWA resolution, and signs an executive order to join KWA"

- We were able to confirm that the City Council voted to connect to water from KWA
- No Executive Order was filed with the Treasury overriding the City Council's changes to the KWA agreement, nor was there an Executive Order filed with the Treasury to join the KWA

5. The early offers by DWSD to reconnect were rejected because of the add'l cost, they were long term and the fact the city had executed a contract with KWA. On Jan 12 '15 they waived the reconnect fee but were still issues re length/term of commitment.

- Per Jerry Ambrose's memo dated 3/3/15 (attached), the water from DWSD would still cost the city an additional estimated \$12M annually, which would have raised water rates by an additional 30%. As such, he strongly disagreed with restoring the water to DWSD at the time.

6. 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.

- No documentation was found to conclude that this study was funded by the Treasury.

Alexandr Heimann
Municipal Analyst
Local Government Financial Services Division
Michigan Department of Treasury
Office (517) 335-2434

Workman, Wayne (TREASURY)

From: Saxton, Thomas (Treasury)
Sent: Monday, January 25, 2016 10:41 AM
To: Khouri, Nick (TREASURY)
Cc: Workman, Wayne (TREASURY); Steckelberg, Larry (TREASURY)
Subject: FW: Flint Water Cutover to Flint River
Attachments: approved_construction_permits pdf

Nick – I think this is what you would be looking for (attached). If you look at #6 'Facility Description' it broadly describes or covers the switch over to the river.

From: Steckelberg, Larry (TREASURY)
Sent: Monday, January 25, 2016 10:19 AM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Cc: Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Flint Water Cutover to Flint River

Brian located what appears to be the DEQ approval for switching to the Flint River for water.

From: Carpenter, Brian (TREASURY)
Sent: Monday, January 25, 2016 10:14 AM
To: Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Subject:

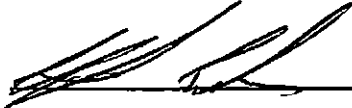
PERMIT APPLICATION FOR WATER SUPPLY SYSTEMS
 (CONSTRUCTION - ALTERATION - ADDITION OR IMPROVEMENT) AS DESCRIBED HEREIN
Required under the Authority of 1976 PA 399, as amended

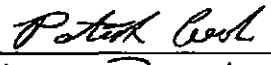
This application becomes an Act 399 Permit only when signed and issued by authorized Michigan Department of Environmental Quality (DEQ) Staff. See instructions below for completion of this application.

1. Municipality or Organization, Address and WSSN that will own or control the water facilities to be constructed. This permit is to be issued to: City of Flint 4500 North Dort Highway Flint, MI 48505 WSSN: 02310	Permit Stamp Area (DEQ use only) MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY PERMIT NO. W 140026 APR 09 2014 EXAMINED AND APPROVED FOR COMPLIANCE WITH ACT 399, P.A. 1976	
2. Owner's Contact Person (provide name for questions): Contact: Brent Wright Title: Plant Supervisor Phone: 810-787-6537		
3. Project Name (Provide phase number if project is segmented): Flint WTP Phase II, Segment II - Lime Residual Disposal	4. Project Location (City, Village, Township): City of Flint	5. County (location of project): Genesee County

ISSUED UNDER THE AUTHORITY OF THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENT QUALITY

cc:

Issued by: 

Reviewed by:  for MFP

for Mike Prusby

☐ **If this box is marked see attached special conditions.**

Instructions: Complete items 1 through 5 above and 6 through 21 on the following pages of this application. Print or type all information except for signatures. Mail completed application, plans and specifications, and any attachments to the DEQ District Office having jurisdiction in the area of the proposed construction

Please Note:

- This **PERMIT** only authorizes the construction, alteration, addition or improvement of the water system described herein and is issued solely under the authority of 1976 PA 399, as amended.
- The issuance of this **PERMIT** does not authorize violation of any federal, state or local laws or regulations, nor does it obviate the necessity of obtaining such permits, including any other DEQ permits, or approvals from other units of government as may be required by law.
- This **PERMIT** expires two (2) years after the date of issuance in accordance with R 325.11306, 1976 PA 399, administrative rules, unless construction has been initiated prior to expiration.
- Noncompliance with the conditions of this permit and the requirements of the Act constitutes a violation of the Act.
- Applicant must give notice to public utilities in accordance with 1974 PA 53, (MISS DIG), being Section 460.701 to 460.718 of the Michigan Compiled Laws, and comply with each of the requirements of that Act.
- All earth changing activities must be conducted in accordance with the requirements of the Soil Erosion and Sedimentation Control Act, Part 91, 1994 PA 451, as amended.
- All construction activity impacting wetlands must be conducted in accordance with the Wetland Protection Act, Part 303, 1994 PA 451, as amended.
- Intentionally providing false information in this application constitutes fraud which is punishable by fine and/or imprisonment.
- Where applicable for water withdrawals, the issuance of this permit indicates compliance with the requirements of Part 327 of Act 451, Great Lakes Preservation Act.

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

Permit Application for Water Systems (Continued)

6. **Facilities Description** – In the space below provide a detailed description of the proposed project. Applications without adequate facilities descriptions will be returned. SEE EXAMPLES BELOW. Use additional sheets if needed.

Improvements to the City of Flint Lime Sludge Lagoons at Bray Road to allow lime sludge from the the Flint WTP to be stored during the interim period when the plant will be treating Flint River water. The lagoons will not be needed for continuous use when the plant switches to treatment of raw water from the KWA Lake Huron Water Supply:

PHASE II, SEGMENT II - LIME RESIDUAL DISPOSAL (@BRAY ROAD):

- * Plugging and abandonment of 8" inlet piping; construction of 306 LF of new 10" inlet piping; installation of bulkhead on existing outlet structure to prevent discharge to surface water.
- * Clay Berm barrier improvements to separate concrete debris pile from lime sludge.
- * Construction of new decant tower structure, 8" gravity sewer, and decant pump station (duplex submersible) with CO2 feed system for pH adjustment. Vortex impeller pumps (2) shall each be rated at 140 gpm at 22' TDH; CO2 feed consists of 6 ton storage tank, 15 pph pH controlled feed system, SS gas piping, and diffusers installed in the decant tower.
- * Construction of approx. 3,800 LF of 6" HDPE decant forcemain and connection to existing City sanitary sewer system.

EXAMPLES – EXAMPLES – EXAMPLES – EXAMPLES – EXAMPLES – EXAMPLES

Water Mains	500 feet of 8-inch water main in First Street from Main Street north to State Street. OR 250 feet of 12-inch water main in Clark Road from an existing 8-inch main in Third Avenue north to a hydrant.
Booster Stations	A booster station located at the southwest corner of Third Avenue and Main Street, and equipped with two, 15 Hp pumps each rated 150 gpm @ 200 feet TDH. Station includes backup power and all other equipment as required for proper operation.
Elevated Storage Tank	A 300,000 gallon elevated storage tank located in City Park. The proposed tank shall be spherical, all welded construction and supported on a single pedestal. The tank shall be 150 feet in height, 40 feet in diameter with a normal operating range of 130 – 145 feet. The interior coating system shall be ANSI/NSF Standard 61 approved or equivalent. The tank will be equipped with a cathodic protection system, and includes a tank level control system with telemetry.
Chemical Feed	A positive displacement chemical feed pump, rated at 24 gpd @ 110 psi to apply a chlorine solution for Well No. 1. Chlorine is 12.5% NaOCL, ANSI/NSF Standard 60 approved and will be applied at a rate of 1.0 mg/l of actual chlorine.
Water Supply Well	Well No. 3, a 200 foot deep well with 170 feet of 8-inch casing and 30 feet of 8-inch, 10 slot screen. The well will be equipped with a 20 Hp submersible pump and motor rated 200 gpm @ 225 feet TDH, set at 160 feet below land surface.
Treatment Facilities	A 5 million gpd water treatment plant located at the north end of Second Avenue. The facility will include 6 low service pumps, 2 rapid mix basins, 4 flocculation/sedimentation basins, 8 dual media filters, 3 million gallon water storage reservoir and 6 high service pumps. Also included are chemical feed pumps and related appurtenances for the addition of alum, fluoride, phosphate and chlorine.

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

Permit Application for Water Systems (Continued)

General Project Information – Complete all boxes below.	
7. Design engineer's name, engineering firm, address, phone number, and email address: Jeremy N. Nakashima, PE Lockwood, Andrews & Newnam, Inc. 1 Oakbrook Terrace, Suite 207 Oakbrook Terrace, IL 60181 630-495-4123 / jnnakashima@lan-inc.com	8. Indicate who will provide project construction inspection: ☒ Organization listed in Box 1. ☒ Engineering firm listed in Box 7. ☐ Other - name, address, and phone number listed below.
9. Is a basis of design attached? ☒ YES ☐ NO If no, briefly explain why a basis of design is not needed. Submitted previously under separate cover.	
10. Are sealed and signed engineering plans attached? ☒ YES ☐ NO If no, briefly explain why engineering plans are not needed. Plans and specs submitted previously under separate cover.	
11. Are sealed and signed construction specifications attached? ☒ YES ☐ NO If specifications are not attached, they need to be on file at DEQ.	
12. Were Recommended Standards for Water Works, Suggested Practice for Water Works, AWWA guidelines, and the requirements of Act 399 and its administrative rules followed? ☒ YES ☐ NO If no, explain which deviations were made and why.	
13. Are all coatings, chemical additives and construction materials ANSI/NSF or other adequate 3rd party approved? ☒ YES ☐ NO If no, describe what coatings, additives or materials did not meet the applicable standard and why.	
14. Are all water system facilities being installed in the public right-of-way or a dedicated utility easement? (For projects not located in the public right-of-way, utility easements must be shown on the plans.) ☐ YES ☒ NO If no, explain how access will be obtained. Most work will be on City owned property, except for certain.	
15. Is the project construction activity within a wetland (as defined by Section 324.30301(d)) of Part 303, 1994 PA 451? ☐ YES ☒ NO If yes, a wetland permit must be obtained.	
16. Is the project construction activity within a 100-year floodplain (as defined by R 323.1311(e)) of Part 31, 1994 PA 451, administrative rules? ☐ YES ☒ NO If yes, a flood plain permit must be obtained.	
17. Is the project construction activity within 500 feet of a lake, reservoir, or stream? ☒ YES ☐ NO If yes, a Soil and Erosion Control Permit must be obtained or indicate if the owner listed in box 2 of this application is an Authorized Public Agency (Section 10 of Part 91, 1994 PA 451) ☐ Owner is APA.	

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

Permit Application for Water Systems (Continued)

18. Will the proposed construction activity be part of a project involving the disturbance of five (5) or more acres of land?

☐ YES ☒ NO

If yes, is this activity regulated by the National Pollutant Discharge Elimination System storm water regulations?

☐ YES: NPDES Authorization to discharge storm water from construction activities must be obtained.

☐ NO: Describe why activity is not regulated:

Please call 517-241-8993 with questions regarding the applicability of the storm water regulations.

19. Is the project in or adjacent to a site of suspected or known soil or groundwater contamination?

☐ YES ☒ NO

If yes, attach a copy of a plan acceptable to the DEQ for handling contaminated soils and/or groundwater disturbed during construction. Contact the local DEQ district office for listings of Michigan sites of environmental contamination.

20. IF YOU ARE A CUSTOMER/WHOLESALE/BULK PURCHASER, COMPLETE THE FOLLOWING

1) Name and WSSN of source water supply system (seller) _____

2) Does the water service contract require water producer/seller to review and approve customer/wholesale/bulk purchaser water system construction plans?

☐ YES ☐ NO

If yes to #2, the producer/seller approval letter must be attached when submitted to DEQ.

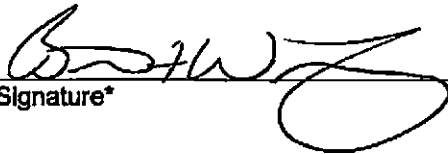
21. **Owner's Certification** The owner of the proposed facilities or the owner's authorized representative shall complete the owner's certification. It is anticipated that the owner will either be a governmental agency (city, village, township, county, etc.) or a private owner (individual, company, association, etc.) of a Type I public water supply.

OWNER'S CERTIFICATION

I, BRENT F. WRIGHT (name), acting as the WATER PLANT SUPERVISOR (title/position) for

CITY OF FLINT (entity owning proposed facilities) certify that this project has

been reviewed and approved as detailed by the Plans and Specifications submitted under this application, and is in compliance with the requirements of 1976 PA 399, as amended, and its administrative rules.


Signature*

3-31-2014
Date

(810) 787-6537
Phone

*Original signature only, no photocopies will be accepted.

Permit Application for Water Systems (Continued)

PROJECT BASIS OF DESIGN – FOR WATER MAIN PROJECTS

PROJECT NAME: _____

For this PROJECT the following information must be provided per Act 399 unless waived by the Department. For projects other than water main installation, or if additional space is needed, attach separate sheet(s) with detailed Basis of Design calculations.

- A. A general map of the initial and ultimate service areas
☐ Included on engineering plans ☐ Attached separately
- B. Number of service connections served by this permit application _____
- C. Total number of service connections ultimately served by entire project _____
- D. Residential Equivalent Units (REUs) served by this permit application _____
- E. Total Residential Equivalent Units (REUs) ultimately served by entire project _____
- F. Water flow rates for proposed project based on REUs listed in "D" and "E" above
1. Initial design average day flow (mgd) _____
 2. Initial design maximum day flow (mgd) _____
 3. Total design average day flow (mgd) _____
 4. Total design maximum day flow (mgd) _____
 5. Required fire flows: ⁽¹⁾ _____ gpm for _____ hours
- G. Actual flows and pressures of existing system at the connection point(s) ⁽²⁾
- | |
|------------------------|
| _____ gpm at _____ psi |
| _____ gpm at _____ psi |
| _____ gpm at _____ psi |
| _____ gpm at _____ psi |
- H. Estimated minimum flows and pressures within the proposed water main system ⁽³⁾
- _____ gpm at _____ psi

(1) Every water system must decide what levels of fire fighting flows they wish to provide. Fire flow should be appropriate for the area (residential, commercial, industrial) being served by the project. Typical fire flow rates can be obtained from the water supply, local fire dept., ISO or AWWA. The water system must then be designed to be able to provide the required fire flows while maintaining at least 20 psi in all portions of the distribution system.

(2) Flows and pressures at the connection points must be given to determine if the existing water main(s) are able to deliver water to the new service area. These numbers can be obtained from a properly modeled and calibrated distribution system hydraulic analysis or hydrant flow tests performed in the field. If more than one connection is proposed, list as needed.

(3) List what the estimated minimum flows can be expected in the proposed water mains based on estimated water demands, head losses, elevation changes and other factors that may affect flows, such as dead end mains.

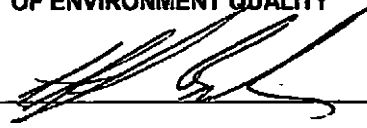
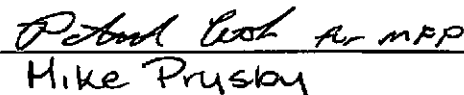
PERMIT APPLICATION FOR WATER SUPPLY SYSTEMS
(CONSTRUCTION - ALTERATION - ADDITION OR IMPROVEMENT) AS DESCRIBED HEREIN
Required under the Authority of 1976 PA 399, as amended

This application becomes an Act 399 Permit only when signed and issued by authorized Michigan Department of Environmental Quality (DEQ) Staff. See instructions below for completion of this application.

1. Municipality or Organization, Address and WSSN that will own or control the water facilities to be constructed. This permit is to be issued to: City of Flint 4500 North Dort Highway Flint, MI 48505 WSSN: 02310	Permit Stamp Area (DEQ use only) MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY  EXAMINED AND APPROVED FOR COMPLIANCE WITH ACT 399, P.A. 1976	
2. Owner's Contact Person (provide name for questions): Contact: Brent Wright Title: Plant Supervisor Phone: 810-787-6537		
3. Project Name (Provide phase number if project is segmented): 1) Flint WTP Phase II, Segment I - Initial Watermain Cut-In / Rehabilitation; 2) Flint WTP Phase II, Segment II - Lime Residual Disposal; 3) Flint WTP Phase II, Segment III - Electrical Improvements	4. Project Location (City, Village, Township): City of Flint	5. County (location of project): Genesee County

ISSUED UNDER THE AUTHORITY OF THE DIRECTOR OF THE DEPARTMENT OF ENVIRONMENTAL QUALITY

cc:

Issued by: Reviewed by: 
for Mike Prusky

☐ **If this box is marked see attached special conditions.**

Instructions: Complete items 1 through 5 above and 6 through 21 on the following pages of this application. Print or type all information except for signatures. Mail completed application, plans and specifications, and any attachments to the DEQ District Office having jurisdiction in the area of the proposed construction.

Please Note:

- This **PERMIT** only authorizes the construction, alteration, addition or improvement of the water system described herein and is issued solely under the authority of 1976 PA 399, as amended.
- The issuance of this **PERMIT** does not authorize violation of any federal, state or local laws or regulations, nor does it obviate the necessity of obtaining such permits, including any other DEQ permits, or approvals from other units of government as may be required by law.
- This **PERMIT** expires two (2) years after the date of issuance in accordance with R 325.11306, 1976 PA 399, administrative rules, unless construction has been initiated prior to expiration.
- Noncompliance with the conditions of this permit and the requirements of the Act constitutes a violation of the Act.
- Applicant must give notice to public utilities in accordance with 1974 PA 53, (MISS DIG), being Section 460.701 to 460.718 of the Michigan Compiled Laws, and comply with each of the requirements of that Act.
- All earth changing activities must be conducted in accordance with the requirements of the Soil Erosion and Sedimentation Control Act, Part 91, 1994 PA 451, as amended.
- All construction activity impacting wetlands must be conducted in accordance with the Wetland Protection Act, Part 303, 1994 PA 451, as amended.
- Intentionally providing false information in this application constitutes fraud which is punishable by fine and/or imprisonment.
- Where applicable for water withdrawals, the issuance of this permit indicates compliance with the requirements of Part 327 of Act 451, Great Lakes Preservation Act.

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

Permit Application for Water Systems (Continued)

6. Facilities Description – In the space below provide a detailed description of the proposed project. Applications without adequate facilities descriptions will be returned. SEE EXAMPLES BELOW. Use additional sheets if needed.

Improvements to the City of Flint WTP to enable treatment of Flint River water on an interim basis until the KWA Lake Huron Water Supply is available for connection and use by the City of Flint:

PHASE II, SEGMENT I - INITIAL WATERMAIN CUT-IN / REHABILITATION (@WTP):

- * Replace existing 25 MGD HSP #1 at Pump Station No. 4 with a new 700 HP, vertically mounted, split-case centrifugal pump rated for 15 MGD at 185' TDH. New pump suction and discharge piping, valves and supports will also be provided.
- * Construction of new ozone system LOX/LIN storage facility to provide system redundancy and a minimum of 30 days chemical storage. A new concrete containment structure will be constructed adjacent to the existing LOX/LIN storage facility. The new LOX and LIN tanks will have nominal capacities of 9000 gal. and 525 gal., respectively.
- * Installation of Midpoint Chlorination. A 3"x6" dual walled chlorine solution line, approx. 665 LF, will be installed from the existing chlorine room at Pump Station No. 4 to a diffuser in the filter influent channel at Plant 2. The chlorine gas feed system shall consist of four 500 ppd feed systems (total 2000 ppd) to be installed by City personnel. Each 500 ppd system consists of a ton cylinder mounted vacuum regulator, control panel, ejector, and misc. piping, tubing & valves.
- * Approx. 850 LF 42" raw watermain connection from existing 48" and 36" mains that feed the plant to convey KWA raw water to the Ozone Building. Work includes a 54x48 cross to make the initial connection at the Ozone Building, buried yard butterfly valves, access and air release manholes, and cathodic protection test stations.

PHASE II, SEGMENT III - ELECTRICAL IMPROVEMENTS (@WTP):

- * Plant substation improvements, including two new 2500 kW transformers and switchgear. The substation switchgear has been fabricated with two utility main breakers, one generator breaker and two tie breakers. So provisions are in place for a future permanent generator. If a temporary generator is needed in the event of an outage to both independent utility services, provisions are in place to temporary cable a large portable generator through a manhole, duct bank and cable tray system to the generator breaker in the substation switchgear.
- * Plant 2 electrical improvements, including two new 500 kW transformers and switchgear.
- * Pump Station No. 4 improvements, including new switchgear and VFD for HSP #1.

EXAMPLES – EXAMPLES – EXAMPLES – EXAMPLES – EXAMPLES – EXAMPLES

Water Mains	500 feet of 8-inch water main in First Street from Main Street north to State Street. OR 250 feet of 12-inch water main in Clark Road from an existing 8-inch main in Third Avenue north to a hydrant.
Booster Stations	A booster station located at the southwest corner of Third Avenue and Main Street, and equipped with two, 15 Hp pumps each rated 150 gpm @ 200 feet TDH. Station includes backup power and all other equipment as required for proper operation.
Elevated Storage Tank	A 300,000 gallon elevated storage tank located in City Park. The proposed tank shall be spherical, all welded construction and supported on a single pedestal. The tank shall be 150 feet in height, 40 feet in diameter with a normal operating range of 130 – 145 feet. The interior coating system shall be ANSI/NSF Standard 61 approved or equivalent. The tank will be equipped with a cathodic protection system, and includes a tank level control system with telemetry.
Chemical Feed	A positive displacement chemical feed pump, rated at 24 gpd @ 110 psi to apply a chlorine solution for Well No. 1. Chlorine is 12.5% NaOCL, ANSI/NSF Standard 60 approved and will be applied at a rate of 1.0 mg/l of actual chlorine.
Water Supply Well	Well No. 3, a 200 foot deep well with 170 feet of 8-inch casing and 30 feet of 8-inch, 10 slot screen. The well will be equipped with a 20 Hp submersible pump and motor rated 200 gpm @ 225 feet TDH, set at 160 feet below land surface.
Treatment Facilities	A 5 million gpd water treatment plant located at the north end of Second Avenue. The facility will include 6 low service pumps, 2 rapid mix basins, 4 flocculation/sedimentation basins, 8 dual media filters, 3 million gallon water storage reservoir and 6 high service pumps. Also included are chemical feed pumps and related appurtenances for the addition of alum, fluoride, phosphate and chlorine.

Permit Application for Water Systems (Continued)

General Project Information – Complete all boxes below.	
7. Design engineer's name, engineering firm, address, phone number, and email address: Jeremy N. Nakashima, PE Lockwood, Andrews & Newnam, Inc. 1 Oakbrook Terrace, Suite 207 Oakbrook Terrace, IL 60181 630-495-4123 / jnnakashima@lan-inc.com	8. Indicate who will provide project construction inspection: ☒ Organization listed in Box 1. ☒ Engineering firm listed in Box 7. ☐ Other - name, address, and phone number listed below.
9. Is a basis of design attached? ☒ YES ☐ NO If no, briefly explain why a basis of design is not needed. Submitted previously under separate cover.	
10. Are sealed and signed engineering plans attached? ☒ YES ☐ NO If no, briefly explain why engineering plans are not needed. Plans and specs submitted previously under separate cover.	
11. Are sealed and signed construction specifications attached? ☒ YES ☐ NO If specifications are not attached, they need to be on file at DEQ.	
12. Were Recommended Standards for Water Works, Suggested Practice for Water Works, AWWA guidelines, and the requirements of Act 399 and its administrative rules followed? ☒ YES ☐ NO If no, explain which deviations were made and why.	
13. Are all coatings, chemical additives and construction materials ANSI/NSF or other adequate 3rd party approved? ☒ YES ☐ NO If no, describe what coatings, additives or materials did not meet the applicable standard and why.	
14. Are all water system facilities being installed in the public right-of-way or a dedicated utility easement? (For projects not located in the public right-of-way, utility easements must be shown on the plans.) ☐ YES ☒ NO If no, explain how access will be obtained. Most work will be on City owned property, except forcemain.	
15. Is the project construction activity within a wetland (as defined by Section 324.30301(d)) of Part 303, 1994 PA 451? ☐ YES ☒ NO If yes, a wetland permit must be obtained.	
16. Is the project construction activity within a 100-year floodplain (as defined by R 323.1311(e)) of Part 31, 1994 PA 451, administrative rules? ☐ YES ☒ NO If yes, a flood plain permit must be obtained.	
17. Is the project construction activity within 500 feet of a lake, reservoir, or stream? ☒ YES ☐ NO If yes, a Soil and Erosion Control Permit must be obtained <u>or</u> indicate if the owner listed in box 2 of this application is an Authorized Public Agency (Section 10 of Part 91, 1994 PA 451) ☐ Owner is APA.	

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

Permit Application for Water Systems (Continued)

18. Will the proposed construction activity be part of a project involving the disturbance of five (5) or more acres of land?

☐ YES ☒ NO

If yes, is this activity regulated by the National Pollutant Discharge Elimination System storm water regulations?

☐ YES: NPDES Authorization to discharge storm water from construction activities must be obtained.

☐ NO: Describe why activity is not regulated:

Please call 517-241-8993 with questions regarding the applicability of the storm water regulations.

19. Is the project in or adjacent to a site of suspected or known soil or groundwater contamination?

☐ YES ☒ NO

If yes, attach a copy of a plan acceptable to the DEQ for handling contaminated soils and/or groundwater disturbed during construction. Contact the local DEQ district office for listings of Michigan sites of environmental contamination.

20. IF YOU ARE A CUSTOMER/WHOLESALE/BULK PURCHASER, COMPLETE THE FOLLOWING

1) Name and WSSN of source water supply system (seller) _____

2) Does the water service contract require water producer/seller to review and approve customer/wholesale/bulk purchaser water system construction plans?

☐ YES ☐ NO

If yes to #2, the producer/seller approval letter must be attached when submitted to DEQ.

21. **Owner's Certification** The owner of the proposed facilities or the owner's authorized representative shall complete the owner's certification. It is anticipated that the owner will either be a governmental agency (city, village, township, county, etc.) or a private owner (individual, company, association, etc.) of a Type I public water supply.

OWNER'S CERTIFICATION

I, BRENT F. WRIGHT (name), acting as the WATER PLANT SUPERVISOR (title/position) for

(print)

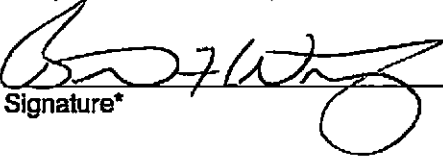
(print)

CITY OF FLINT

(print)

(entity owning proposed facilities) certify that this project has

been reviewed and approved as detailed by the Plans and Specifications submitted under this application, and is in compliance with the requirements of 1976 PA 399, as amended, and its administrative rules.



Signature*

3-31-2014

Date

(810) 787-6537

Phone

*Original signature only, no photocopies will be accepted.

PROJECT BASIS OF DESIGN – FOR WATER MAIN PROJECTS

PROJECT NAME: _____

For this PROJECT the following information must be provided per Act 399 unless waived by the Department. For projects other than water main installation, or if additional space is needed, attach separate sheet(s) with detailed Basis of Design calculations.

- A. A general map of the initial and ultimate service areas
☐ Included on engineering plans ☐ Attached separately
- B. Number of service connections served by this permit application _____
- C. Total number of service connections ultimately served by entire project _____
- D. Residential Equivalent Units (REUs) served by this permit application _____
- E. Total Residential Equivalent Units (REUs) ultimately served by entire project _____
- F. Water flow rates for proposed project based on REUs listed in "D" and "E" above
1. Initial design average day flow (mgd) _____
 2. Initial design maximum day flow (mgd) _____
 3. Total design average day flow (mgd) _____
 4. Total design maximum day flow (mgd) _____
 5. Required fire flows: ⁽¹⁾ _____ gpm for _____ hours
- G. Actual flows and pressures of existing system at the connection point(s) ⁽²⁾
- | |
|------------------------|
| _____ gpm at _____ psi |
| _____ gpm at _____ psi |
| _____ gpm at _____ psi |
| _____ gpm at _____ psi |
- H. Estimated minimum flows and pressures within the proposed water main system ⁽³⁾
- | |
|------------------------|
| _____ gpm at _____ psi |
|------------------------|

(1) Every water system must decide what levels of fire fighting flows they wish to provide. Fire flow should be appropriate for the area (residential, commercial, industrial) being served by the project. Typical fire flow rates can be obtained from the water supply, local fire dept., ISO or AWWA. The water system must then be designed to be able to provide the required fire flows while maintaining at least 20 psi in all portions of the distribution system.

(2) Flows and pressures at the connection points must be given to determine if the existing water main(s) are able to deliver water to the new service area. These numbers can be obtained from a properly modeled and calibrated distribution system hydraulic analysis or hydrant flow tests performed in the field. If more than one connection is proposed, list as needed.

(3) List what the estimated minimum flows can be expected in the proposed water mains based on estimated water demands, head losses, elevation changes and other factors that may affect flows, such as dead end mains.

Stanton, Terry A. (Treasury)

From: Weiss, Kurt (DTMB)
Sent: Monday, January 25, 2016 11:12 AM
To: Salzman, Eric (NBCUniversal)
Cc: Stanton, Terry A. (Treasury); Brown, Melanie (DEQ)
Subject: RE: Cost Estimate for Flint

Hi Eric,

It's my understanding the City of Flint and their public works team have done previous infrastructure studies that you can see. The \$500,000 that was put into the January supplemental is for a new study, to be conducted by an outside engineering firm yet to be determined, so there isn't anything to see yet on the new study. I've looped in Melanie Brown at DEQ to see if she has anything else to add regarding the new study, but it's my understanding that it will be done by outside experts in conjunction with the city.

Thanks!

Kurt Weiss
State Budget Office
517-335-0050



From: Salzman, Eric (NBCUniversal) [mailto:Eric.Salzman@nbcuni.com]
Sent: Monday, January 25, 2016 10:12 AM
To: Weiss, Kurt (DTMB)
Cc: Stanton, Terry A. (Treasury)
Subject: RE: Cost Estimate for Flint

Kurt

This is fantastic. Thank you so much for the detailed response. Is there anywhere I can read more background on the infrastructure study?

Eric

Eric Salzman
Executive Producer
MSNBC
W 212 664 5465
M 646 283 4521
eric.salzman@nbcuni.com
www.mnabc.com
[@ericosalzman](https://twitter.com/ericosalzman)

From: Weiss, Kurt (DTMB) [mailto:WeissK1@michigan.gov]
Sent: Monday, January 25, 2016 9:58 AM
To: Salzman, Eric (NBCUniversal)

Cc: Stanton, Terry A. (Treasury)
Subject: Cost Estimate for Flint

Hi Eric,

Terry Stanton at Treasury passed along your question about cost estimates for Flint. To address immediate needs, two supplemental budget requests for Flint have been made for the current year budget. The first was a supplemental of \$9.3 million approved by the Legislature in October which included funding for emergency water services for Flint to reconnect to Detroit, water inspections and public health monitoring, water filters, blood screening and plumbing inspections in educational and health facilities. The second supplemental was submitted to the Legislature last week for \$28 million and it's expected to be passed this week. The \$28 million January supplemental includes funding for bottled water, water filters, replacement filter cartridges, fixture replacements in schools, daycares and hospitals, treatment of children, experts to assess potential linkages to Legionnaire's disease, an infrastructure integrity study using outside experts, as well as funding for lead abatement in Flint homes, additional nurses in Flint schools, and epidemiologists to analyze blood lead levels. Again, these two supplementals to the current year budget are for the immediate needs. When it comes to the longer term needs for infrastructure and health that you are referencing, the governor will be releasing his fiscal year 2017 budget recommendation on Feb. 10 where he will outline additional funding for Flint in the next fiscal year. The results of the infrastructure study which was included in the January supplemental will help to determine the long-term costs for replacing pipes and infrastructure.

I hope this helps.

Thank you.

Kurt Weiss
State Budget Office
517-335-0050

State Budget
Office

From: Salzman, Eric (NBCUniversal) [<mailto:Eric.Salzman@nbcuni.com>]
Sent: Monday, January 25, 2016 8:48 AM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: MSNBC inquiry - cost estimate for Flint repair

Hi Terry

Is there any big picture cost estimate for Flint at this point?
Be it pipe replacement, current water delivery, health treatment to come ... looking for any sense of what kind of budgeting is being done for the near and long term future.

Thanks

Eric

Eric Salzman
Executive Producer
MSNBC

Connors, Paul (Treasury)

From: Connors, Paul (Treasury)
Sent: Monday, January 25, 2016 11:36 AM
To: Stanton, Terry A. (Treasury)
Subject: Fwd: Flint water crises

I sent this to Tom

Sent from my iPhone

Begin forwarded message:

From: "Hanrahan, Daniel (MDE)" <HanrahanD@michigan.gov>
Date: January 25, 2016 at 11:33:12 AM EST
To: "Connors, Paul (Treasury)" <ConnorsP@michigan.gov>
Subject: FW: Flint water crises

Although the e-mail came from Kyle, I believe the advice was relayed to us from the State Emergency Operations Center through our liaison, Louis Burgess.

Dan Hanrahan
Director
Office of State Aid and School Finance

Customer Service is a priority at the Michigan Department of Education – helping Michigan schools, families, and communities improve the achievement and well-being of ALL our children.



From: Houseman, Jennifer (MDE) On Behalf Of Guerrant, Kyle (MDE)
Sent: Monday, January 11, 2016 12:07 PM
To: MDE-All Staff <MDE-AllStaff@michigan.gov>
Subject: Flint water crises

Colleagues,

As you know, the Governor has declared a state of emergency for Genesee County due to the ongoing health and safety issues caused by lead in the City of Flint's drinking water. The State has established an incident command operations center at the State Emergency Operations Center (SEOC). Louis Burgess, our Emergency Management Coordinator, and other staff have been representing MDE at the SEOC. This is currently operating seven days a week. MDE leadership is being kept up to date of the State's on-going efforts in Flint. A Joint Information Center (JIC) has been established. All messages regarding Flint and water safety issues are to be coordinated through the JIC.

Any MDE staff conducting business in the Flint area should be aware that there is some resentment towards the State concerning the handling of the water crises. Staff should not travel in State-owned cars through Flint neighborhoods. Any MDE logo clothing should be avoided. (This is more an issue for uniformed staff of other state agencies.)

State officials from the Department of Environmental Quality have been working with schools, child care centers, and other institutions to ensure that they are taking proper safety precautions related to water. The State is actively coordinating water filter distribution, water quality testing, blood level testing, and distribution of bottled water with local county emergency managers. MDE staff in the Office of School Support Services have also been working with child nutrition program providers since last October. OSSS staff continues to reach out to Flint-area MDE-approved child nutrition program providers (both school meals and Child and Adult Care food programs) to ensure they are aware of available resources regarding water quality.

The State is maintaining an up-to-date website on the Flint water crises at <http://Michigan.gov/Flintwater>. The "Taking Action on Flint Water" link on the MDE Homepage (left side) will take you to the same webpage.

If you have any communication going out to the field that is related to the Flint water crises, you should coordinate your message with Marty Ackley. Marty will coordinate with the JIC to ensure that we have a consistent, accurate message.

If you have any questions on the Flint water crises, feel free to contact me or Louis. If you are interested in this issue, be aware that Dr. Eden Wells will be making a presentation on the Flint water crises tomorrow at the State Board meeting (Tuesday, January 12). Dr. Wells is the Chief Medical Executive of the Michigan Department of Health and Human Services (MDHHS).

KG

Kyle Guerrant, LMSW
Deputy Superintendent
Administration & School Support Services
Michigan Department of Education
p 517-335-0565 | f 517-335-4565
guerrantk@michigan.gov

Twitter: <http://twitter.com/kguerrant/>

Customer Service is a priority at the Michigan Department of Education – helping Michigan schools, families, and communities improve the achievement and well-being of ALL our children.



Workman, Wayne (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Tuesday, January 26, 2016 7:27 AM
To: Saxton, Thomas (Treasury); Stanton, Terry A. (Treasury)
Subject: FW: Treasury approvals regarding Flint WTP

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Cline, Richard (Treasury)
Sent: Monday, January 25, 2016 6:00 PM
To: Workman, Wayne (TREASURY) ; Steckelberg, Larry (TREASURY) ; Schafer, Suzanne K. (Treasury) ; Byrne, Randall (Treasury) ; Koryzno, Edward (Treasury)
Cc: Dempkowski, Angela (Treasury)
Subject: RE: Treasury approvals regarding Flint WTP

All:

Here is what I have that specifically pertains to the City's Water System:

1. **April 10, 2015** – Lockwood, Andrews and Newnam for GAC Filter procurement and construction - **\$1,601,740.**
2. **December 10, 2014** – Metron-Farnier for water meter purchases - **\$110,811.**
3. **August 28, 2014** – Idexx Distribution for water testing supplies - **\$70,000.**
4. **April 24, 2014** – Ozonia North America for Water Plant ozone generators - **\$55,815.**
5. **March 18, 2014** – Zito Construction for initial watermain cut-in at the Water Plant - **\$676,300.**
6. **March 11, 2014** – Metron-Farnier for water meter purchases - **\$199,645.**
7. **February 25, 2014** – McNaughton-McKay for electrical distribution upgrades at the Water Plant - **\$16,850.**
8. **February 25, 2014** – Xylem Water Solution for a pump and large motor purchase - **\$277,000.**
9. **February 25, 2014** – Newkirk for replacement of obsolete electrical equipment at the Water Plant - **\$852,000.**
10. **February 20, 2014** – Purchase of High Voltage Distribution equipment for the Water Plant - **\$225,000.**
11. **December 16, 2013** – McNaughton-McKay for Water Plant Transformer Upgrade - **\$238,306.**
12. **November 21, 2013** – Wachs Valve and Hydrant Services for Water Valve Exercising/Maintenance Program - **\$60,000.**
13. **November 21, 2013** – HD Supply Waterwork for Water Distribution Parts - **\$200,000.**
14. **November 15, 2013** - McNaughton-McKay for Cedar St. Pumping Station Switchgear Upgrades - **\$505,000.**
15. **November 15, 2013** - McNaughton-McKay for Water Plant Electrical Distribution Upgrades - **\$1,512,000.**
16. **November 15, 2013** - Lockwood, Andrews and Newnam for Water Plant Operations implementation - **\$1,133,800.**
17. **November 14, 2013** - McNaughton-McKay for Variable Frequency Drive - **\$349,710.**

- 18. **September 24, 2013** – Ace-Saginaw for Asphalt Paving Materials - **\$194,062.**
- 19. **August 27, 2013** – Ace-Saginaw for Paving at the Water Service Center - **\$124,236.**
- 20. **August 27, 2013** – Rowe Engineering for Engineering Services - **\$149,600.**

Rob is also compiling his list. This will be forwarded as soon as it is finished.

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) 243-8450 | Traverse City Office (231) 922-5228
E-mail cliner1@michigan.gov

CONFIDENTIALITY NOTICE: This e-mail, and any attachments, is for the sole use of the intended recipient(s) and may contain information that is confidential and protected from disclosure under the law. Any unauthorized review, use, disclosure, or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail, and delete/destroy all copies of the original message and attachments Thank you.

From: Workman, Wayne (TREASURY)
Sent: Monday, January 25, 2016 3:14 PM
To: Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>; Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>; Cline, Richard (Treasury) <cliner1@michigan.gov>
Cc: Dempkowski, Angela (Treasury) <DempkowskiA@michigan.gov>
Subject: FW: Treasury approvals regarding Flint WTP

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Ryan, Howard (Treasury)
Sent: Monday, January 25, 2016 3:11 PM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Cc: Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>
Subject: FW: Treasury approvals regarding Flint WTP

This is from Ananich's office.....

From: Sarah Studley [<mailto:SStudley@senate.michigan.gov>]
Sent: Monday, January 25, 2016 12:26 PM
To: Ryan, Howard (Treasury) <RyanH1@michigan.gov>
Subject: Treasury approvals regarding Flint WTP

Howard,

My understanding is that Treasury had to sign off on any purchases in Flint over \$50,000 while it was under the control of an Emergency Manager. Is it possible for me to get either a list of purchases with respect to the

Water Treatment Plant that were presented to Treasury and whether each was signed off on or rejected?
Alternatively, documentation related to each would also be helpful.

Thank you,

Sarah Studley

Counsel and Senior Policy Adviser

Senate Minority Leader Jim Ananich

Boji Tower, 2nd Floor

PO Box 30036 | Lansing, MI 48909-7536

P: 517.373.1755

C: 202.341.4488

NOTICE: The information contained in this electronic mail message may be confidential and intended only for certain recipients. If you are not an intended recipient, you are hereby notified that any disclosure, reproduction, distribution or other use of this communication and any attachments is strictly prohibited. If you have received this communication in error, please notify the sender by reply transmission and delete the message without copying or disclosing it.

Robert, Carla M. (Treasury)

From: Clement, Elizabeth (GOV) <clemente@michigan.gov>
Sent: Monday, January 25, 2016 5:39 PM
To: Agen, Jarrod (GOV); 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); 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); Smith, Brenda (MDARD); Steudle, Kirk (MDOT); Sworden, Julie (DMVA); 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: Murray, David (GOV); Holland, Meegan (GOV); Wisniewski, Wendy (GOV); Baird, Richard (GOV)
Subject: Flint Status Update

All,

As of January 21, Rich Baird has assumed the Lead Point of Contact role for Flint. This has been communicated to the existing team working on the Flint water emergency. As of today, an office has been opened in the State of Michigan building located at 125 Union Street in downtown Flint. In addition to the individual team members listed below, a representative from DEQ, DHHS and the Department of Civil Rights will join Rich's team.

Per Rich, here is a list of the "Mission Flint" team and a summary of roles and responsibilities:

LG Calley—Will establish an office in Flint and provide input to POC Leader. He will also be focused on sustaining a quality partnership with Dr. Mona Hanna-Attisha and DHHS to attest to blood sampling protocols and interpretation, and begin executing additional monitoring/education and remediation for those impacted. He will also provide input and guidance to the EO communications team on ways to be more proactive with messaging and the public narrative (drawing attention to volunteers, community groups, and stories that are happening but not getting into the narrative).

Harvey Hollins—Harvey will continue (with R. Baird) to nurture a quality partnership with Mayor Weaver and her team, pastor groups, and provide grass roots community leadership so that we can stay acutely attuned to the needs of the Flint Community and bring resources to bear. Harvey will also serve as the co-facilitator for the FWIACC with the first meeting occurring on January 27.

Bill Nowling—Bill will step back from the role he is playing as Crisis Leader for Communications Department. Meegan Holland will work closely with LG Calley to improve (department wide) proactive efforts in messaging and narrative. Bill will approve all communications from our Flint Team. He will coordinate the Mercury team communications engagement and engage with Mark Davidoff and the Deloitte team to provide more support to Mayor Weaver (through his associate Ms. Cockrell).

Tori Sachs—Tori will continue playing a "utility" role on a variety of fronts, including supporting the philanthropic

campaign, eliciting University engagement (Community Scholars, etc.), monitoring vendors and follow up with third party validation groups, assisting with messaging and volunteer deployment, and supporting Col. Greg Durkac in tracking our critical matters and decisions organization framework.

Colonel Greg Durkac—SME for project management, logistics, and organizational frameworks for critical matters and decisions. He lives in Linden (just outside Flint) and is deferring his retirement for this assignment.

Captain Chris Kelenske—As Chris winds down from Phase 1 Emergency Stabilization, it is important he remain engaged as a spokesperson, coordination expert, and leveraging his expertise as we continue a different model of community outreach (testing, monitoring, engaging resources, etc.). He will also work with Harvey on the FWIACC and in continued community outreach.

Nat Forstner/Ben Geiger— Will take the lead on data collection, analytics, comparative interpretation and communication to Governor Snyder and principals. Need more benchmarking and historical data not just from Michigan but around the country.

Others who have agreed to engage as appropriate are Mike Finney (community outreach), Nick Khouri (treasury support and financing), Chris Rizik (Entrepreneurial recruitment and identification of venture capital/other capital) Peter Remington (Philanthropic and Campaign Strategy) and Matt Rizik (Intergovernmental relations City/County).

Clearly there will many more connection points as represented in the FWIACC but the above represent a type of “executive committee” to lead us into Phase 2 and 3 of “Mission Flint”.

Please feel free to reach out to me, Rich or Jarrod if you have any questions or suggestions.

Thanks,

Beth

Workman, Wayne (TREASURY)

From: Jody Lundquist <jlundquist@cityofflint.com>
Sent: Monday, January 25, 2016 4:43 PM
To: Schafer, Suzanne K. (Treasury)
Cc: Vaughn, Cary J. (Treasury); Steckelberg, Larry (TREASURY); Natasha Henderson; Karen Weaver; Cline, Richard (Treasury); Byrne, Randall (Treasury)
Subject: City of Flint Water Fund Cash Flow Attached
Attachments: City of Flint Water Fund 18 Month Cash Flow.xlsx; City of Flint Water Fund 18 Month Cash Flow.pdf

Good afternoon, Suzanne.

As Cary is out of the office this afternoon, I was instructed to provide you with the updated 18 month cash flow for the City's Water Fund for review.

There are three tabs. Assumptions for each scenario are listed. The tab "Water CF-With Variables" is set to allow users to manipulate and modify the assumptions by entering data into the grey highlighted cells.

Because reviewing the financial position of the City's Water Fund only illustrates half of the financial picture for the City's utility services, I encourage all users to be mindful of the impact that the Shears Lawsuit and Water Crisis has also had on the Sewer Fund. I will begin working on creating a cash flow for the Sewer Fund this week to be reviewed in conjunction with the Water Fund cash flow attached.

Please let me know if you have any questions regarding the information provided.

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

CITY OF RUBY
WATER FUND
18 MONTH CASH FLOW
FOR THE PERIOD JULY 1, 2015 THROUGH DECEMBER 31, 2015
Actual Activity Reported through December 31, 2015

Revenue assumptions were based on VTD billing activity and current collection rates reported through FY17 and held constant into FY17 with the FY16 Master Fee Schedule also revised effective with March 2015 collection. Assuming the City begins issuing short of revenue and discontinuing service for nonpayment during FY16, the collection rate will improve.

Expenditure activity for the period January 2016-June 2016 reflect current funds as of December 31, 2015 collected equally over the remaining 6 months of the fiscal year.

Expenditure activity for the period July 2015-December 2015 assumes the FY17 budget projection as included in the Biennial FY16 & FY17 Budget as adopted by emergency manager order. Revenue assumptions were held constant. The 5% rate increase assumed as the adopted FY17 projected budget was \$16,000,000 for purposes of this cash flow.

The City will likely have to continue purchasing treated water from the Great Lakes Water Authority through the first quarter of FY17. An amount for illustrative purposes is shown.

Master Fee Schedule Rates Reported

Average Monthly Collection Rate	Used 6/30/2015 - June 7/1/2016	
	85%	95%
Rate Increase	22%	22%

GLWA Water Purchase \$ 1,433,333

	ACTUAL JULY 2015	ACTUAL AUGUST 2015	ACTUAL SEPTEMBER 2015	ACTUAL OCTOBER 2015	ACTUAL NOVEMBER 2015	ACTUAL DECEMBER 2015	PROJECTED JANUARY 2016	PROJECTED FEBRUARY 2016	PROJECTED MARCH 2016	PROJECTED APRIL 2016	PROJECTED MAY 2016	PROJECTED JUNE 2016	PROJECTED JULY 2016	PROJECTED AUGUST 2016	PROJECTED SEPTEMBER 2016	PROJECTED OCTOBER 2016	PROJECTED NOVEMBER 2016	PROJECTED DECEMBER 2016
BEGINNING CASH BALANCE	19,977,585	19,972,570	20,768,859	19,386,646	19,289,463	19,002,098	18,240,839	15,806,877	14,370,914	13,460,402	13,438,298	13,006,526	11,005,361	10,059,284	9,106,106	8,158,879	7,209,852	6,360,775
CASH RECEIPTS																		
User Charges	914,607	914,607	914,607	914,607	914,607	914,607	914,607	914,607	914,607	914,607	914,607	914,607	914,607	914,607	914,607	914,607	914,607	914,607
Grants and State Appropriations	253,371	253,371	253,371	253,371	253,371	253,371	253,371	253,371	253,371	253,371	253,371	253,371	253,371	253,371	253,371	253,371	253,371	253,371
Other Revenue	752,353	752,353	752,353	752,353	752,353	752,353	752,353	752,353	752,353	752,353	752,353	752,353	752,353	752,353	752,353	752,353	752,353	752,353
Certificate of Deposit Activity	1,239,817	1,239,817	1,239,817	1,239,817	1,239,817	1,239,817	1,239,817	1,239,817	1,239,817	1,239,817	1,239,817	1,239,817	1,239,817	1,239,817	1,239,817	1,239,817	1,239,817	1,239,817
TOTAL CASH RECEIPTS	2,959,948	2,959,948	2,959,948	2,959,948	2,959,948	2,959,948	2,959,948	2,959,948	2,959,948	2,959,948	2,959,948	2,959,948	2,959,948	2,959,948	2,959,948	2,959,948	2,959,948	2,959,948
CASH DISBURSEMENTS																		
Salaries and Benefits	101,142	101,142	101,142	101,142	101,142	101,142	101,142	101,142	101,142	101,142	101,142	101,142	101,142	101,142	101,142	101,142	101,142	101,142
Supplies	482,600	482,600	482,600	482,600	482,600	482,600	482,600	482,600	482,600	482,600	482,600	482,600	482,600	482,600	482,600	482,600	482,600	482,600
Contracted Services	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815
Purchase of Treated Water	1,433,333	1,433,333	1,433,333	1,433,333	1,433,333	1,433,333	1,433,333	1,433,333	1,433,333	1,433,333	1,433,333	1,433,333	1,433,333	1,433,333	1,433,333	1,433,333	1,433,333	1,433,333
Utilities	41,548	41,548	41,548	41,548	41,548	41,548	41,548	41,548	41,548	41,548	41,548	41,548	41,548	41,548	41,548	41,548	41,548	41,548
Equipment Operation	122,045	122,045	122,045	122,045	122,045	122,045	122,045	122,045	122,045	122,045	122,045	122,045	122,045	122,045	122,045	122,045	122,045	122,045
Repairs and Maintenance	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815	10,815
Insurance	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522
Interest on Debt Service Fund	116,216	116,216	116,216	116,216	116,216	116,216	116,216	116,216	116,216	116,216	116,216	116,216	116,216	116,216	116,216	116,216	116,216	116,216
Other Expenses	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167	94,167
Transfer Out	2,968,888	2,968,888	2,968,888	2,968,888	2,968,888	2,968,888	2,968,888	2,968,888	2,968,888	2,968,888	2,968,888	2,968,888	2,968,888	2,968,888	2,968,888	2,968,888	2,968,888	2,968,888
TOTAL CASH DISBURSEMENTS	7,567,888	7,567,888	7,567,888	7,567,888	7,567,888	7,567,888	7,567,888	7,567,888	7,567,888	7,567,888	7,567,888	7,567,888	7,567,888	7,567,888	7,567,888	7,567,888	7,567,888	7,567,888
NET CASH FLOW	(4,607,940)	(4,607,940)	(4,607,940)	(4,607,940)	(4,607,940)	(4,607,940)	(4,607,940)	(4,607,940)	(4,607,940)	(4,607,940)	(4,607,940)	(4,607,940)	(4,607,940)	(4,607,940)	(4,607,940)	(4,607,940)	(4,607,940)	(4,607,940)
ENDING CASH BALANCE	15,369,645	15,369,645	15,369,645	15,369,645	15,369,645	15,369,645	15,369,645	15,369,645	15,369,645	15,369,645	15,369,645	15,369,645	15,369,645	15,369,645	15,369,645	15,369,645	15,369,645	15,369,645

**CITY OF RUST
WATER FUND
18 MONTH CASH FLOW
FOR THE PERIOD JULY 1, 2015 THROUGH DECEMBER 31, 2015
Actual Activity Reported through December 31, 2015**

Assumptions Defined Below

FINANCIAL ASSUMPTIONS:

1. User Charges for the period January 2015-December 2015 were based on YTD billing activity and collection rates.
2. Rate increase assumptions effective March 1, 2016 and July 1, 2016 may be modified in the year, see below.
3. Rescinding the FY16 Master Fee Schedule rates per the amended preliminary injunction order would result in a rate increase of approximately 12% and would impact collections beginning in March 2016.
4. If the Master Fee Schedule rates are rescinded in FY16, then any rate increase assumption for FY17 must also include 22%.
5. Issuance of shut off notices and discontinuation of service has a tremendous impact on the City's ability to enforce payment for services rendered. In August, prior to the Preliminary Injunction Order, the City's average monthly collection rate was 98%. The average collection rate for the period August through December 2015 has fallen to 85%, with a low point in October of 70%.

EXPENDITURE ASSUMPTIONS:

1. Expenditure activity for the period January 2015-June 2015 reflect unspent funds as of December 31, 2015 divided equally over the remaining 6 months of the fiscal year.
2. Expenditure activity for the period July 2015-December 2015 assumes the FY17 budget projection as included in the General Fund & FY17 Budget is adopted by emergency manager order.
3. The City will likely have to continue purchasing treated water from the Great Lakes Water Authority through the first quarter of FY17. An amount for illustrative purposes is shown.

	UNFUND 6/30/2015		Other FY17/2015		Rate Increase		Budgeted FY17 projection of 5% must be entered as 17%.											
	ACTUAL	2015	ACTUAL	2015	2015	2015	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
DECREASING CASH BALANCE	19,997,865	19,921,378	20,768,299	19,226,648	16,229,468	16,002,098	16,290,659	16,005,077	16,470,914	16,948,749	17,426,553	17,904,375	18,382,198	18,859,997	19,337,796	19,815,595	20,293,394	20,771,193
CASH RECEIPTS																		
User Charges	2,321,585	2,395,455	2,214,795	1,790,177	1,864,184	2,020,149	1,878,851	1,876,951	2,289,148	2,289,148	2,289,148	2,289,148	2,289,148	2,289,148	2,289,148	2,289,148	2,289,148	2,289,148
Grants and State Appropriations	1,306	-	(91,821)	129,285	20,428	(8,051)	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333
Other Revenue	2,022,812	2,395,455	2,123,594	8,880,140	1,884,646	2,812,257	2,894,684	2,897,481	2,897,481	2,897,481	2,897,481	2,897,481	2,897,481	2,897,481	2,897,481	2,897,481	2,897,481	2,897,481
TOTAL CASH RECEIPTS																		
CASH DISBURSEMENTS																		
Salaries and Benefits	922,659	914,897	914,048	1,101,360	900,951	877,093	775,089	775,089	775,089	775,089	775,089	775,089	775,089	775,089	775,089	775,089	775,089	775,089
Supplies	231,873	147,058	187,257	106,152	46,298	48,135	467,306	467,306	467,306	467,306	467,306	467,306	467,306	467,306	467,306	467,306	467,306	467,306
Contractual Services	752,353	26,504	1,540,680	800,188	525,945	252,380	772,565	772,565	772,565	772,565	772,565	772,565	772,565	772,565	772,565	772,565	772,565	772,565
Utilities	41,528	147,697	81,183	62,830	50,779	37,166	176,940	176,940	176,940	176,940	176,940	176,940	176,940	176,940	176,940	176,940	176,940	176,940
Equipment Operation	261,382	122,095	262,911	151,499	264,416	145,281	904,310	904,310	904,310	904,310	904,310	904,310	904,310	904,310	904,310	904,310	904,310	904,310
Repairs and Maintenance	482,400	10,815	253,380	89,901	11,136	13,001	310,613	310,613	310,613	310,613	310,613	310,613	310,613	310,613	310,613	310,613	310,613	310,613
Insurance	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522	174,522
Transfers to Debt Service Fund	110,331	110,331	110,331	110,331	110,331	110,331	284,287	284,287	284,287	284,287	284,287	284,287	284,287	284,287	284,287	284,287	284,287	284,287
Other Expenses	94,157	94,157	94,157	94,157	94,157	94,157	94,157	94,157	94,157	94,157	94,157	94,157	94,157	94,157	94,157	94,157	94,157	94,157
Transfers Out	2,608,858	1,747,585	1,607,185	12,874,326	2,172,011	1,777,455	3,319,647	3,319,647	3,319,647	3,319,647	3,319,647	3,319,647	3,319,647	3,319,647	3,319,647	3,319,647	3,319,647	3,319,647
TOTAL CASH DISBURSEMENTS																		
NET CASH FLOW	(75,887)	807,581	(1,638,251)	(2,495,181)	(297,562)	253,945	(534,861)	(1,023,153)	(32,151)	(1,409,710)	(1,023,151)	(1,124,631)	(1,124,631)	(1,124,631)	(1,124,631)	(1,124,631)	(1,124,631)	(1,124,631)
ENDING CASH BALANCE	19,921,378	20,768,299	19,226,648	16,731,468	16,002,098	16,290,659	16,805,877	16,702,914	16,599,749	16,489,833	16,379,652	16,269,171	16,158,690	16,048,209	15,937,728	15,827,247	15,716,766	15,606,285

Pleyte, Beth (Treasury)

From: Barton, John (Treasury)
Sent: Monday, January 25, 2016 6:07 PM
To: Saxton, Thomas (Treasury)
Subject: FW: Jan 24 call notes
Attachments: January 24-2015call notes.docx

I am not sure if you were on the call Steve mentioned, but I wanted to pass along Steve's e-mail. Steve is the EPA contact I talked to last fall.

From: Marquardt, Steve [mailto:marquardt.steve@epa.gov]
Sent: Monday, January 25, 2016 5:46 PM
To: Butler, Sonya (DEQ) <BUTLERS2@michigan.gov>; Barton, John (Treasury) <BartonJ@michigan.gov>
Subject: Jan 24 call notes

My notes from a call yesterday where your names came up.

Let me know if questions. thanks

Steve Marquardt
USEPA Region 5
77 West Jackson Blvd
Chicago, Illinois 60604
(312)353-3214

January 24, 2015 Call Notes

Call arranged by Emily Barson – HHS

Included representatives from Michigan Governor's office, MDEQ, USEPA headquarters and Region 5

On the call the Governor's office requested information regarding press related to \$80M in infrastructure funds going to Michigan. USEPA responded that this was the annual appropriation of Clean Water State Revolving Funds (CWSRF) and Drinking Water State Revolving Funds (DWSRF) and these funds are awarded to the state as a grant and then state provide these funds to communities primarily in the form of low interest loans. It would be up to the state to determine the amount of funds provided to Flint.

There was then discussion of the state revolving fund and options under the fund to provide resources to Flint. The State asked about the eligibility of lead service line replacement and USEPA responded that they were eligible. The state also asked about eligibility of items inside the home and USEPA indicated that this would be investigated.

Options discussed for further investigation:

- Old Debt – The Michigan Finance Authority holds approximately \$20M in DWSRF Flint Debt. The state should examine any savings that could be provided to Flint on this old debt including lowering the interest rate which is at 2.5% and possible extending the term of the debt from 20 year to 30 year. The extended term may make the semi-annual payments more affordable but costs more in the long run. Also, the State could pay off a portion of the debt. The Michigan Finance Authority may also have other ideas of actions that could be taken.
- New Funding - FY15 USEPA Funding – In September 2015, the MI DWSRF program identified \$35M in projects they plan to fund in 2016 and provide \$5.5M in principal forgiveness for those projects. The FY15 USEPA funding allowed stated to provide 20%-30% of the grant to the state as principal forgiveness to communities. This would be approximately \$5.5M-\$8M. The state should investigate the ability to award Flint a DWSRF loan that provides principal forgiveness up to the maximum allowed.
- FY16 USEPA Funding – FY16 CWSRF and DWSRF allocations to states have not yet been released. It is anticipated that MI would receive a similar allocation to FY15 – in FY15 USEPA awarded approximately \$60M in CWSRF and \$27M in DWSRF. If Flint applies for funding, the state could provide a loan to Flint and provide principal forgiveness up to the amount allowed under the FY16 appropriation language which is 20% of the DWSRF grant. The issue is that these funds would not be available for some time if the normal state SRF process is followed. The state normally applies for the funds in summer and provides funds to communities in the fall.

All options for new funding are dependent on Flint providing detailed information on needs, prioritizing the needs, and applying for funds.

Action items:

- USEPA look into eligibility options for SRF related to internal home plumbing replacement – Peter Grevatt (USEPA)
- USEPA, Michigan Finance Authority and MDEQ to investigate SRF funding options listed above and any other possible options. – John Barton (Michigan Finance Authority), Sonya Butler (MDEQ), Steve Marquardt (USEPA R5)
 - o Look for most effective, economic and efficient way to approach needs
- USEPA Finance Center offered assistance – Jim Gebhardt (USEPA)
- Investigate the ability to transfer funds from the CWSRF to the DWSRF and the pros and cons of approach
- MDEQ requested the formation of a Municipal Finance Team - The USEPA Region 5 representative is Steve Marquardt and the request was made by EPA to have Sonya Butler from MDEQ and John Barton from the Michigan Finance Authority.

Workman, Wayne (TREASURY)

From: Khouri, Nick (TREASURY)
Sent: Tuesday, January 26, 2016 7:27 AM
To: Steckelberg, Larry (TREASURY); Workman, Wayne (TREASURY); Koryzno, Edward (Treasury); Schafer, Suzanne K. (Treasury); Byrne, Randall (Treasury); Cline, Richard (Treasury)
Cc: Saxton, Thomas (Treasury)
Subject: RE: Article from MLive-Flint Water Crisis Leaves City Finances in "Very Precarious Position"

We need to get a handle on how big is the potential deficit in the water system

From: Steckelberg, Larry (TREASURY)
Sent: Tuesday, January 26, 2016 7:23 AM
To: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>; Koryzno, Edward (Treasury) <KoryznoE@michigan.gov>; Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>; Cline, Richard (Treasury) <cliner1@michigan.gov>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Khouri, Nick (TREASURY) <KhouriN@michigan.gov>
Subject: Article from MLive-Flint Water Crisis Leaves City Finances in "Very Precarious Position"

http://www.mlive.com/news/flint/index.ssf/2016/01/flint_water_crisis_leaves_city.html#incart_2box_news_flint

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

Stanton, Terry A. (Treasury)

From: Salzman, Eric (NBCUniversal) <Eric.Salzman@nbcuni.com>
Sent: Tuesday, January 26, 2016 11:09 AM
To: Weiss, Kurt (DTMB)
Cc: Stanton, Terry A. (Treasury)
Subject: RE: Cost Estimate for Flint

Hey Kurt

Is there any word on when the \$28 million request gets voted on?

Also – please advise if there are any other updates we should be aware of. Reporting more on this in the afternoon today.

Thanks!

Eric

Eric Salzman
Executive Producer
MSNBC
W 212 664 5465
M 646 283 4521
eric.salzman@nbcuni.com
www.mnscb.com
[@ericsalzman](https://twitter.com/ericsalzman)

From: Weiss, Kurt (DTMB) [mailto:WeissK1@michigan.gov]
Sent: Monday, January 25, 2016 9:58 AM
To: Salzman, Eric (NBCUniversal)
Cc: Stanton, Terry A. (Treasury)
Subject: Cost Estimate for Flint

Hi Eric,

Terry Stanton at Treasury passed along your question about cost estimates for Flint. To address immediate needs, two supplemental budget requests for Flint have been made for the current year budget. The first was a supplemental of \$9.3 million approved by the Legislature in October which included funding for emergency water services for Flint to reconnect to Detroit, water inspections and public health monitoring, water filters, blood screening and plumbing inspections in educational and health facilities. The second supplemental was submitted to the Legislature last week for \$28 million and it's expected to be passed this week. The \$28 million January supplemental includes funding for bottled water, water filters, replacement filter cartridges, fixture replacements in schools, daycares and hospitals, treatment of children, experts to assess potential linkages to Legionnaire's disease, an infrastructure integrity study using outside experts, as well as funding for lead abatement in Flint homes, additional nurses in Flint schools, and epidemiologists to analyze blood lead levels. Again, these two supplementals to the current year budget are for the immediate needs. When it comes to the longer term needs for infrastructure and health that you are referencing, the governor will be releasing his fiscal year 2017 budget recommendation on Feb. 10 where he will outline additional funding for Flint in

Workman, Wayne (TREASURY)

From: Steckelberg, Larry (TREASURY)
Sent: Tuesday, January 26, 2016 5:23 PM
To: Khouri, Nick (TREASURY); Saxton, Thomas (Treasury)
Cc: Workman, Wayne (TREASURY)
Subject: RE: Flint information

I've sent the request and we should have some information in the morning. We can add to the fact sheet as new ideas arise

From: Khouri, Nick (TREASURY)
Sent: Tuesday, January 26, 2016 5:16 PM
To: Steckelberg, Larry (TREASURY) ; Saxton, Thomas (Treasury)
Cc: Workman, Wayne (TREASURY)
Subject: RE: Flint information

Perfect

Thanks

Also, talked to Tom about getting me some background facts tomorrow, i.e. number of water customers, total revenues of the system, current uncollectables, etc

I'm out all day tomorrow, but just email a second page of facts

Thanks

From: Steckelberg, Larry (TREASURY)
Sent: Tuesday, January 26, 2016 5:06 PM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Flint information

New one page with edits.

From: Khouri, Nick (TREASURY)
Sent: Tuesday, January 26, 2016 4:54 PM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Flint information

Yes please

From: Saxton, Thomas (Treasury)
Sent: Tuesday, January 26, 2016 4:52 PM
To: Khouri, Nick (TREASURY) <Khourin@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Flint information

So you want this converted to one page ?

From: Khouri, Nick (TREASURY)
Sent: Tuesday, January 26, 2016 4:48 PM
To: Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Flint information

He is my edits

From: Steckelberg, Larry (TREASURY)
Sent: Tuesday, January 26, 2016 4:44 PM
To: Khouri, Nick (TREASURY) <Khourin@michigan.gov>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Flint information

One page

From: Khouri, Nick (TREASURY)
Sent: Tuesday, January 26, 2016 4:32 PM
To: Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Flint information

Can you put it in one page of talking bullets

Don't need a cover page or powerpoint format

From: Steckelberg, Larry (TREASURY)
Sent: Tuesday, January 26, 2016 4:31 PM
To: Khouri, Nick (TREASURY) <Khourin@michigan.gov>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: Flint information

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

Treasury's Role in Three Primary Areas

Flint has critical needs in many areas. We see our role in three primary areas.

- Infrastructure development and finance.
- Fiscal stability of both the water/sewer and overall city government.
 - Short term (cash)
 - Long term
- Flint's economic development.

Infrastructure Development and Finance

- Treasury's goal is to work with others to develop a long-term water infrastructure investment plan for distressed local units.
- Once a quality study is created to determine an accurate picture of the scope and cost for the necessary system improvements, Treasury is confident we can come up with a method to help finance improvements.
- We will look at alternative funding sources, including bonds, surcharges, and existing Federal and State dollars.

Fiscal Stability

- In April of 2015, Flint was on a path to exit financial emergency with its funds showing comfortable cash balances.
- The cash balance in the water system was \$20 million in July 2015. Now, the system is in the red and Flint's water system will potentially be out of cash as early as November. The sewer fund faces a similar situation. Eventually this will become an obligation of the city's general fund.
- Develop strategies to stabilize near term finances of water and sewer system.
- Doing all we can to make sure Flint's water rates are affordable.
- Assist city in continuing on path to financial stability across all accounts.

Economic Development

- We need to address the long term impact of the recent months on the city's economic development.
- Start by assessing the impact on property values and business location decisions.
- Partner with economic development agencies to assist in growing Flint's economy.
- The support needs to be targeted to the needs of the city.

Robert, Carla M. (Treasury)

From: Kennedy, Jordan (GOV) <KennedyJ4@michigan.gov>
Sent: Tuesday, January 26, 2016 6:19 PM
Subject: Daily Talking Points
Attachments: EO Talking Points-Updated 160126 (002).docx

Below and attached.

Regards,

Jordan Kennedy
Communications Representative
Executive Office of Governor Rick Snyder
Phone: 517.335.6397



Flint Water Discussion Points **Updated Jan. 26**

Current Issues Talking Points **Medicaid/Federal Asks**

- Governor Snyder today announced that a request will be sent to the federal government that asks for all Flint residents under age 21 to receive additional healthcare services to address potential problems brought on from exposure to lead.
- We want to make sure comprehensive medical care services are available, and we hope the federal government will partner in our efforts.
- Request will include:
 - Expanded Medicaid eligibility for all residents in the impacted areas up to age 21, regardless of income level.
 - Lead-abatement programs to help minimize and/or prevent any long term adverse health problems associated with lead exposure.
 - Additional, community-based resources to ensure all children, regardless of health insurance coverage, have access to comprehensive medical treatment.

House passage of the \$28 million supplemental bill (unanimous vote)

- The supplemental request includes short-term funding to address immediate needs in the city, including bottled water, filters and testing kits.
 - The supplemental request will also include funds to address the most critical needs of Flint residents.
 - The Governor has asked to completely re-open the budget proposal the administration has been working on since last fall to assess all of the resources available to provide long-term support for the health of Flint residents.
- The health and safety of Flint residents remains a top priority. The Governor has worked closely with the Legislature to encourage quick passage of the supplemental to encourage immediate action.
- We look forward to the Senate taking action on this bill this week.

General High-level talking points

- There are people in the state of Michigan that can't drink their water, and that is unacceptable to all of us. As Governor, Rick Snyder has taken responsibility, taken emergency response measures and is committed to dedicate all the resources needed to make this right for the people of Flint.
- The top priority for Governor Snyder and his administration is ensuring every Flint resident has access to clean, safe drinking water. We are committed to providing affected children and families access to medical and educational resources to ensure long-term care and treatment.
- The Flint water crisis has been a systemic failure of government at all levels: from the city of Flint, the state of Michigan, the civil servant scientists and the U.S. Environmental Protection Agency (EPA).
- The Governor has held himself and his government accountable. The Governor replaced the leadership of Michigan Department of Environmental Quality (MDEQ) and has taken disciplinary measures on the staff and civil servant scientists responsible for the crisis. Actions have been taken to ensure a new and capable team is overseeing Flint water and creating a department culture focused on the health and safety of Michigan residents. Two DEQ officials involved in the testing of Flint water have been suspended pending an investigation, in accordance with civil service rules.
- The Governor has asked to completely re-open the budget proposal the administration has been working on since last fall to assess all of the resources available to provide long-term support to the health of Flint residents. In addition, the supplemental budget request will provide funds to the city to help alleviate the need for utility shutoffs.
- Governor Snyder and his administration are committed to working in partnership with Flint Mayor Karen Weaver, independent experts, and the federal government to ensure both short-term and long-term solutions.

Resources distributed (as of 1/25/2016):

- 176,118 cases of water
- 93,048 filters
- 29,320 testing kits
- 198,552 filter cartridges

Homes visited by Flint Water Response Teams (as of 1/24/16): 37,844

For more information, visit www.mi.gov/flintwater or www.helpforflint.com.

AT A GLANCE: Flint Action Timeline: For the 2006 – Jan. 16, 2016 Timeline click here

- **Sept. 28, 2015:** For the first time, DEQ and DHHS directors briefed the governor on the potential scope and magnitude of the lead issue. They begin discussion on what actions should be taken if the concerns raised by outside researchers were to be verified.
- **Oct. 1, 2015:** DHHS director informed the governor that his epidemiologists reviewed the data and confirmed Dr. Mona Hanna-Attisha's conclusions that blood lead levels in children were elevated – due to an association with lead contaminated water in certain ZIP codes.
- **October 2, 2015:** Governor releases 10-point Plan to address water systems, designates \$1 million for water filters and anticorrosion treatment. This action was taken with 24 hours of DHHS confirmation that there was lead present in Flint's drinking water. [The 10-Point Plan is available here.](#)
- **Oct. 8, 2015:** Governor announces plan to reconnect to Detroit water.

- **Oct. 15, 2015:** Governor signs supplemental appropriation with \$9.35 million to assist Flint in reconnecting to DWSD. Mott Foundation contributed \$4 million and Flint \$2 million. Flint officially reconnects to Detroit water system the following day, October 16.

For October 15, 2015 – January 16, 2016 [click here](#)

- **January 19, 2016:** Governor gives State of the State Address. Focuses on Flint response, short-term and long-term solutions.
- **January 20, 2016:** Governor releases all Flint emails sent and received on Flint between January 2014 and December 2015.
- **January 20, 2016:** Governor appeals denial of federal major disaster declaration for Flint. House of Representatives passes \$28 million supplemental bill to support Flint.
- **January 22, 2016:** Two DEQ officials involved in Flint water testing are suspended pending an investigation, in accordance with Civil Service rules.
- **January 22, 2016:** Executive power to appoint city administrator and all department heads is returned to Flint Mayor via resolution approved by Flint RTAB and Treasurer Khouri.
- **January 22, 2016:** Governor announces he will seek additional federal aid to help Flint residents despite rejected appeal. Will request resources under the Individual Households Program which provides housing assistance, personal property replacement and emergency protective measure funding. This announcement followed the President's denial of the major disaster declaration appeal.

Flint Water Discussion Points

Updated Jan. 26

Current Issues Talking Points

Medicaid/Federal Asks

- Governor Snyder today announced that a request will be sent to the federal government that asks for all Flint residents under age 21 to receive additional healthcare services to address potential problems brought on from exposure to lead.
- We want to make sure comprehensive medical care services are available, and we hope the federal government will partner in our efforts.
- Request will include:
 - Expanded Medicaid eligibility for all residents in the impacted areas up to age 21, regardless of income level.
 - Lead-abatement programs to help minimize and/or prevent any long term adverse health problems associated with lead exposure.
 - Additional, community-based resources to ensure all children, regardless of health insurance coverage, have access to comprehensive medical treatment.

House passage of the \$28 million supplemental bill (unanimous vote)

- The supplemental request includes short-term funding to address immediate needs in the city, including bottled water, filters and testing kits.
 - The supplemental request will also include funds to address the most critical needs of Flint residents.
 - The Governor has asked to completely re-open the budget proposal the administration has been working on since last fall to assess all of the resources available to provide long-term support to the health of Flint residents.
- The health and safety of Flint residents remains a top priority. The Governor has worked closely with the Legislature to encourage quick passage of the supplemental to encourage immediate action.
- We look forward to the Senate taking action on this bill this week.

General High-level talking points

- There are people in the state of Michigan that can't drink their water, and that is unacceptable to all of us. As Governor, Rick Snyder has taken responsibility, taken emergency response measures and is committed to dedicate all the resources needed to make this right for the people of Flint.
- The top priority for Governor Snyder and his administration is ensuring every Flint resident has access to clean, safe drinking water. We are committed to providing affected children and families access to medical and educational resources to ensure long-term care and treatment.
- The Flint water crisis has been a systemic failure of government at all levels: from the city of Flint, the state of Michigan, the civil servant scientists and the U.S. Environmental Protection Agency (EPA).
- The Governor has held himself and his government accountable. The Governor replaced the leadership of Michigan Department of Environmental Quality (MDEQ) and has taken disciplinary measures on the staff and civil servant scientists responsible for the crisis. Actions have been taken to ensure a new and capable team is overseeing Flint water and creating a department culture focused on the health and safety of Michigan residents. Two DEQ officials involved in the testing of Flint water have been suspended pending an investigation, in accordance with civil service rules.

- The Governor has asked to completely re-open the budget proposal the administration has been working on since last fall to assess all of the resources available to provide long-term support to the health of Flint residents. In addition, the supplemental budget request will provide funds to the city to help alleviate the need for utility shutoffs.
- Governor Snyder and his administration are committed to working in partnership with Flint Mayor Karen Weaver, independent experts, and the federal government to ensure both short-term and long-term solutions.

Resources distributed (as of 1/25/2016):

- 176,118 cases of water
- 93,048 filters
- 29,320 testing kits
- 198,552 filter cartridges

Homes visited by Flint Water Response Teams (as of 1/24/16): 37,844

For more information, visit www.mi.gov/flintwater or www.helpforflint.com.

AT A GLANCE: Flint Action Timeline: For the 2006 – Jan. 16, 2016 Timeline click here

- **Sept. 28, 2015:** For the first time, DEQ and DHHS directors briefed the governor on the potential scope and magnitude of the lead issue. They begin discussion on what actions should be taken if the concerns raised by outside researchers were to be verified.
- **Oct. 1, 2015:** DHHS director informed the governor that his epidemiologists reviewed the data and confirmed Dr. Mona Hanna-Attisha's conclusions that blood lead levels in children were elevated – due to an association with lead contaminated water in certain ZIP codes.
- **October 2, 2015:** Governor releases 10-point Plan to address water systems, designates \$1 million for water filters and anticorrosion treatment. This action was taken with 24 hours of DHHS confirmation that there was lead present in Flint's drinking water. [The 10-Point Plan is available here.](#)
- **Oct. 8, 2015:** Governor announces plan to reconnect to Detroit water.
- **Oct. 15, 2015:** Governor signs supplemental appropriation with \$9.35 million to assist Flint in reconnecting to DWSD. Mott Foundation contributed \$4 million and Flint \$2 million. Flint officially reconnects to Detroit water system the following day, October 16.

For October 15, 2015 – January 16, 2016 [click here](#)

- **January 19, 2016:** Governor gives State of the State Address. Focuses on Flint response, short-term and long-term solutions.
- **January 20, 2016:** Governor releases all Flint emails sent and received on Flint between January 2014 and December 2015.
- **January 20, 2016:** Governor appeals denial of federal major disaster declaration for Flint. House of Representatives passes \$28 million supplemental bill to support Flint.
- **January 22, 2016:** Two DEQ officials involved in Flint water testing are suspended pending an investigation, in accordance with Civil Service rules.
- **January 22, 2016:** Executive power to appoint city administrator and all department heads is returned to Flint Mayor via resolution approved by Flint RTAB and Treasurer Khouri.
- **January 22, 2016:** Governor announces he will seek additional federal aid to help Flint residents despite rejected appeal. Will request resources under the Individual Households Program which provides housing assistance, personal property replacement and emergency protective measure funding. This announcement followed the President's denial of the major disaster declaration appeal.

Schafer, Suzanne K. (Treasury)

From: TreasRevenueSharing
Sent: Wednesday, January 27, 2016 8:29 AM
To: Byrne, Randall (Treasury); Cole, Evah (Treasury); Khouri, Claire (GOV); Schafer, Suzanne K. (Treasury)
Subject: FW: FDCVT Grant for Flint
Attachments: fdcvt dwsd flint mi.PDF

Importance: High

Please find attached an amended FDCVT application from the City of Flint. The application intends to seek reimbursement for the reconnection to DWSD

Let me know if you have any questions or concerns

Thank you.

Carrie Kolka

Carolyn Kolka
Michigan Department of Treasury
Office of Revenue and Tax Analysis
Phone: (517) 241-7417
Fax: (517) 335-3298
KolkaC@michigan.gov

From: Sean Kammer [mailto:skammer@cityofflint.com]
Sent: Tuesday, January 26, 2016 4:58 PM
To: TreasRevenueSharing <TreasRevenueSharing@michigan.gov>
Cc: Khouri, Claire (GOV) <KhouriC@michigan.gov>; Natasha Henderson <nhenderson@cityofflint.com>; kschwerdtfeger@deloitte.com; Karen Weaver <kweaver@cityofflint.com>
Subject: FDCVT Grant for Flint

To whom it may concern:

Please find the Fiscally Distressed Cities, Villages, and Townships Grant application for the City of Flint, Michigan attached. This application seeks reimbursement for the DWSD reconnection made by the City last fall and is intended to supplant the Dupont Street Project submitted by the City in October 2015.

Please let me know if the information submitted is sufficient.

Thank you.

Sean Kammer

--
Sean Kenneth Kammer, MPA



CITY OF FLINT

Dr. Karen W. Weaver
Mayor

Natasha L. Henderson
City Administrator

Tuesday, January 26, 2016
Michigan Department of Treasury
Office of Revenue and Tax Analysis
P.O. Box 30722
Lansing, MI 48909

Re: Letter of Support for Financially Distressed Cities, Villages, and Townships Grant

County: Genesee

Local Unit Code: 252040

To whom it may Concern:

Please accept this letter as the City of Flint's commitment to the Michigan Department of Treasury's Financially Distressed Cities, Villages, and Townships Grant Program for the Detroit Water and Sewerage Department Reconnection reimbursement.

On October 16, 2015, the City of Flint reconnected to the Detroit Water and Sewerage Department as its source of water, ceasing the use of the Flint River. The water from the river, combined with the absence of corrosion control additives, caused severe damage to the City's water infrastructure. It negatively affected the water quality in terms of color, smell, and taste. It was the cause of several threats to the public health, most notably, the leeching of heavy metals from solder and old pipes. Many children in the City were found with elevated levels of lead in their blood, placing them in direct harm of the irreversible effects of lead poisoning. The City contributed two million dollars to a total cost of \$12 million for the reconnection to Detroit, which was a safer source of water. The City seeks to recuperate this two million dollars while it faces financial challenges posed by this State of Emergency.

Even though the City has progressed to strategically reduce deficits by seeking new millages, reducing staff, and reducing services, the City still faces critical financial obstacles. The City does not have the financial stability to expend this level of resources. The FDCVT Grant is essential for the successful reimbursement of this project, which has contributed to improving the safety, reliability, and sustainability of the City's water system, so that the City can continue operations in a time of financial stress.

Respectfully,

Natasha L. Henderson, City Administrator
City of Flint, Michigan

Date

Application Due Date:
October 15, 2015

Financially Distressed Cities, Villages, and Townships Application (FY 2016)

Issued under authority of 2015 Public Act 84

PART 1: APPLICANT INFORMATION			
1. Applicant Name City of Flint		2. Applicant Local Unit Code 252040	
3. Applicant FEIN 38-6004611		4. Applicant County Genesee	
5. Mailing Address 1101 South Saginaw	6. City Flint	7. State MI	8. ZIP Code 48502
PART 2: PROPOSAL OVERVIEW			
9. Proposal Title Detroit			
10. Estimated Start Date 06/01/2016		11. Estimated Completion Date 08/30/2016	
12. Estimated Total Proposal Cost \$ 3,985,267.00		13. Grant Amount Requested \$ 2,000,000.00	
14. Additional Local Units, if Participating in a Shared Service Project (include county and local unit code). Attach letters of support from each of the participating local units. NA			
15. Is the applicant(s) willing to devote appropriate resources and time to this proposal? ☒ Yes ☐ No If no, explain why the applicant(s) is unable to devote appropriate resources and time to the proposal.			
16. Plan for Partial Funding: If full funding is not awarded, how will you fund the proposal? Can you go forward with the proposal if partial funding is awarded? Due to the City's fiscally distressed condition, the City seeks reimbursement of the \$2 million the City incurred to reconnect to the Detroit Water and Sewerage Department (DWSD) as its water supply on October 16, 2015.			
PART 3: PROPOSAL CONTACT INFORMATION			
Note: The proposal contact individual should be a vital part of the grant proposal and will be the Michigan Department of Treasury's contact.			
17. Contact Name Natasha Henderson		18. Contact Title City Administrator	
19. Contact Telephone Number (810) 766-7346		20. Contact Fax Number (810) 766-7218	
21. Contact E-mail Address nhenderson@cityofflint.com			
22. Contact Entity Name City of Flint			
PART 4: CONDITIONS OF PROBABLE FINANCIAL DISTRESS			
23. Indicate the conditions affecting the applicant that indicate probable financial distress (check all that apply and attach proof of existence for each condition checked).			
☐ 1. The governing body or the chief administrative officer of the city, village or township has requested a preliminary review. The request shall be in writing and shall identify the existing or anticipated financial conditions or events that make the request necessary.			
☐ 2. The state financial authority has received a written request from a creditor with an undisputed claim, that remains unpaid 6 months after its due date, against the city, village, or township that exceeds the greater of \$10,000.00 or 1% of the annual general fund budget of the city, village, or township, provided that the creditor has notified the city, village or township in writing at least 30 days before the creditor's request to the state financial authority of the creditor's intention to submit a written request.			

PART 4: CONDITIONS OF PROBABLE FINANCIAL DISTRESS, CONTINUED

- ☐ 3. The state financial authority has received a petition containing specific allegations of financial distress signed by a number of registered electors residing within the city's, village's, or township's jurisdiction equal to not less than 5% of the total vote cast for all candidates for governor within the city's, village's, or township's jurisdiction at the last preceding election at which a governor was elected. The petition shall not have been filed within 60 days before any election of the city, village, or township.
- ☐ 4. The state financial authority has received a written notification that the city, village, or township has not timely deposited its minimum obligation payment to the city's, village's, or township's pension fund, as required by law.
- ☐ 5. The state financial authority has received a written notification that the city, village, or township has failed, for a period of 7 days or more after the scheduled date of payment, to pay wages and salaries or other compensation owed to employees or benefits owed to retirees.
- ☐ 6. The state financial authority has received a written notification from a trustee, paying agent, bondholder, or auditor engaged by the city, village, or township of a default in a bond or note payment or a violation of 1 or more bond or note covenants.
- ☐ 7. The state financial authority has received a resolution from either the senate or the house of representatives requesting a preliminary review of the city, village, or township.
- ☐ 8. The city, village, or township has violated a requirement of, or a condition of an order issued pursuant to, former 1943 PA 202, revenue bond act of 1933, 1933 PA 84, MCL 141.101 to 141.140, the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, or any other law governing the issuance of bonds or notes.
- ☐ 9. The city, village, or township has violated the conditions of an order issued by the local emergency financial assistance loan board pursuant to the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942.
- ☐ 10. The city, village, or township has violated a requirement of sections 17 to 20 of the uniform budgeting and accounting act, 1988 PA 2, MCL 141.437 to 141.440.
- ☐ 11. The city, village, or township has failed to timely file an annual financial report or audit that conforms with the minimum procedures and standards of the state financial authority and is required for cities, villages, and townships under the uniform budgeting and accounting act, 1988 PA 2, MCL 141.421 to 141.440a.
- ☐ 12. The city, village, or township is delinquent in the distribution of tax revenues, as required by law, that it has collected for another taxing jurisdiction, and that taxing jurisdiction requests a preliminary review.
- ☒ 13. The city, village, or township is in breach of its obligations under a deficit elimination plan or an agreement entered into pursuant to a deficit elimination plan.
- ☐ 14. A court has ordered an additional tax levy without the prior approval of the governing body of the city, village, or township.
- ☐ 15. The city, village, or township has ended a fiscal year in a deficit condition as defined in section 21 of the Glenn Stell state revenue sharing act of 1971, 1971 PA 140, MCL 141.921, or has failed to comply with the requirements of that section for filing or instituting a financial plan to correct the deficit condition.
- ☒ 16. The city, village, or township has been assigned a long-term debt rating within or below the BBB category or its equivalent by 1 or more nationally recognized credit rating agencies.
- ☒ 17. There is an existence of other facts or circumstances that, in the state treasurer's sole discretion for a city, village or township, are indicative of probable financial stress

PART 5: PROPOSAL DETAILS

24. Describe Current State of Affairs: What is working well? What is not working? Explain the current condition of infrastructure/equipment

See attached.

PART 5: PROPOSAL DETAILS, CONTINUED**25. Describe Strategy, Project, or Service Proposal:**

The City of Flint reconnected to the Detroit Water and Sewerage Department on October 16th, 2015, due to the contamination of the water caused by the Flint River supply. The cost to the City to reconnect to DWSD was \$2 million. These funds were taken from an already distressed Water and Sewer Fund.

26. Describe How Grant Funding will Lead the Applicant Toward Financial Stability:

Reimbursement of the City's two million dollars will offer some financial relief when revenues to the Water and Sewer fund are at a devastating low. Based on current projections, the City has estimated that the Water and Sewer Fund will become insolvent by the end of 2016. Returning this sum will help to reduce the urgency of the impending fiscal crisis.

27. Goals, Measures, and Business Objectives of this Proposal: What are the outcomes you hope to achieve? How will you measure the outcomes? Provide the measures which will be used to determine the success of the proposal.

The anticipated goal is to recouperate some of the losses the City has incurred during the Flint Water crisis. Successful completion of this goal will be the reimbursement of the Water and Sewer Fund to help the City continue operations during a time of financial stress.

28. Potential Barriers: Describe any barriers that currently exist that may have an impact on the implementation of the proposal.

The City returned to Detroit water on October 16, 2015. This proposal is seeking reimbursement of the City's cost to reconnect.

29. Continuity of Proposal: How do you plan to fund the proposal going forward once awarded grant funds are exhausted?

There are no significant residual costs. This is a one-time request for reimbursement of already expended funds.

PART 5: PROPOSAL DETAILS, CONTINUED

30. Cost Savings: Will the proposal save money? Attach a detailed calculation of the cost savings and provide an explanation of how the cost savings were calculated. Do not include any anticipated FDCVT grant funding as part of the cost savings calculation.

☒ Yes ☐ No

A. SHORT-TERM (1 year or less)

☐ Yes ☒ No

Estimated Short-Term Savings

B. LONG-TERM (Greater than 1 year)

☐ Yes ☒ No

Estimated 5 Year Total Savings	\$1,000,000
--------------------------------	-------------

31. Work Plan and Proposal Timeline: What are the implementation steps to ensure this proposal's success? What are the projected outcomes at each step? Attach a detailed work plan, if the narrative will not fit in the space provided.

On October 12, 2015, City Council authorized a budget amendment to contribute \$2 million from the Water and Sewer Fund to the total \$12 million cost of reconnecting the City to DWSD. On October 16, 2015, that reconnection was executed. The projected outcome was to improve water quality by ceasing the use of the Flint River as a primary water source.

32. Total Grant Budget Worksheet: For each budget category, attach a detailed list of proposed expenditures, including an indication of the priority for each budgeted item. Explain how the expenditures support and are essential to the proposal.

Budget Category	Estimated Total Proposal Cost	Grant Budget Amount Requested (Total Limited to \$2.0 million)
Reconnection to DWSD	\$ 2,000,000.00	\$ 2,000,000.00
	TOTAL ESTIMATED PROPOSAL COST \$ 2,000,000.00	TOTAL GRANT AMOUNT REQUESTED \$ 2,000,000.00

33. Additional Information and Comments:

The total cost to reconnect was \$12 million, with the State of Michigan contributing \$6 million, the Ruth Mott Foundation contributing \$4 million, and the City of Flint contributing \$2 million. To this date, the Ruth Mott Foundation has contributed half of its pledge (\$2 million). Consequently, \$10 million has been paid to DWSD.

PART 6: ATTACHMENTS

34 Check the appropriate boxes and attach the following items to the application. All attachments must be included and labeled appropriately

- | | | |
|--|---|--|
| ☒ Attached | ☐ N/A | 1 Letter of support from each of the participating local units identified in Part 2, Box 14 |
| ☒ Attached | | 2 Proof of existence for each condition of probable financial distress checked in Part 4, Box 23 |
| ☒ Attached | ☐ N/A | 3 Detailed calculation of cost savings and an explanation of how the cost savings were calculated in Part 5, Box 30 |
| ☐ Attached | ☒ N/A | 4 Detailed work plan, if the narrative will not fit in Part 5, Box 31 |
| ☒ Attached | | 5 Detailed list of proposed expenditures to support Part 5, Box 32, including an indication of the priority for each budgeted item and an explanation of how the expenditure will support and is essential to the proposal |

PART 7: CERTIFICATION

35 I certify that all statements in this application, including all requested supplemental information, are true, complete and accurate to the best of my knowledge. If awarded, I agree to allow the Michigan Department of Treasury and the State Auditor General's Office (and/or any of their duly authorized representatives) access, for the purposes of inspection, audit, and examination, to any books, documents, papers, and records of the grantee which are related to this proposal. I agree to allow the Michigan Department of Treasury to conduct periodic program reviews of the proposal. The purpose of these reviews will be to determine adherence to stated proposal goals and to review progress of the proposal in meeting its objectives. I agree to submit semiannual and final narrative and financial status reports and a one-year Final Follow-up Report to the Michigan Department of Treasury. I understand that failure to submit any required reports may result in the termination of the grant. I understand that this grant may be terminated if the Michigan Department of Treasury concludes that I am not in compliance with the conditions and provisions of this grant, or have falsified any information. By way of signature, I agree with all conditions of this grant program.

Applicant's Chief Administrative Officer Signature (as defined in MCL 141 422b)

Date

01/26/2016

Printed Name of Applicant's Chief Administrative Officer (as defined in MCL 141 422b)

Title

Natasha L. Henderson

City Administrator

Applications are due October 15, 2015. Completed applications submitted via mail or e-mail must be received by the Michigan Department of Treasury no later than 11:59 p.m. on Thursday, October 15, 2015. Incomplete applications may not be considered.

A signed and completed application (including attachments) can be submitted by e-mail to TreasRevenueSharing@michigan.gov or by mail to

Michigan Department of Treasury
Office of Revenue and Tax Analysis
PO Box 30722
Lansing MI 48909

Part 5: Proposal Details

Question 24. Describe the current state of affairs. What is working well? What is not working? Explain the current condition of infrastructure/equipment.

The City is currently in a Federal state of emergency. Water from the Flint River, the City's water source, had been leeching lead from old pipes and solder, contaminating the water supply. Elevated lead levels in children were discovered by physicians at Hurley Hospital. Genesee County, the State of Michigan, and the United States Federal Government have elevated the emergency to their levels as well.

The City of Flint is also currently in a state of fiscal distress at a time in which considerable demands are placed upon it relating to the provision of clean and safe water. The City is attempting to cope with these demands, while revenues are down or drastically reduced. Even though the City has progressed to strategically reduce deficits by seeking new millages, reducing the number of city employees and related costs, and ultimately reducing the services to the public, the City continues to face critical financial challenges. Both the income tax and property tax revenue bases have declined by 55% since the economic downturn in 2008. The current resources available to the City are very restricted and limited.

The City of Flint has been in receivership since December 2011. At that time, the State of Michigan Financial Review Team found that the City has a General Fund deficit of \$14,621,546 as of June 30th, 2010, which was not eliminated within the two year preceding period.

The City previously submitted a five year deficit elimination plan for a cumulative general fund deficit of \$7,046,820 as of June 30th, 2008. However, by June 30th, 2010, the cumulative general fund deficit had grown to \$14,621,546. An updated plan submitted for 2010 did not purport to eliminate cumulative deficit until 2030 and that relied upon the issuance of an additional \$12 million of debt in 2013.

A structural operating deficit existed in the general fund as of June 30, 2007, 2008, 2009, 2010, and the General Fund was projected to have a \$6,768,864 deficit as of June 30, 2011.

The Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011 was received in December 2011. The City's General Fund, which had a \$14.6 million deficit at the beginning of the year, ended it with an \$8.9 million deficit. The reduction in the deficit was due solely to an \$8 million Fiscal Stabilization Bond issued by the city in March 2011. In total, excluding the impact of the FSB proceeds and the Genesee Towers judgment levy, expenses in the General Fund exceeded revenues. The City's Comprehensive Financial Report revealed an unassigned deficit in the General Fund of \$8,961,427 as of June 30, 2014, which had resulted from operating deficits.

The City does not have a current bond rating. The most recent bond rating was from over a decade ago and received a score of Ba1, a qualifying indicator of fiscal distress.

As part of a recent judgment, the City was ordered to repay its Water and Sewer Fund 15.7 million from its General Fund. The recent water challenges have also resulted a lower frequency of bill payments from residents, further reducing revenues. This places considerable strain on the City's path to recovery as it struggles to emerge from receivership.

Appendix A
FDCVT Supplemental Answers

The City has transitioned back to the Detroit Water and Sewerage Department as the source of water. This project cost of \$2 million from the City's fund balance, an unanticipated expense. It is imperative that old pipes and water lines need to be addressed in order to arrive at a long term solution that will safeguard the public health, return public confidence in the Water System, resulting in a return to a sustainable Water and Sewer Fund. The City is the water provider, and as such, It has an obligation to provide clean and safe water for residents.

CITY OF FLINT

Payment Detail Report

For Informational Purposes Only

J.P.Morgan

PAYMENT INFORMATION

Account Number

[REDACTED]

Payment Method

Wire

Bank to Bank Transfer

No

Account Name

COMMERCIAL CHECKING

Branch Location

JPMorgan Chase Bank, N.A. (MI)

Beneficiary Bank Country

UNITED STATES - US

Bank Name

JPMORGAN CHASE BANK, N.A.

Bank Id

072000326

Payment Amount

USD 2,000,000.00

Value Date: 10/16/2015

Status: Completed

ROUTING INFORMATION

BENEFICIARY

Beneficiary ID Type

Account Number

Account Number

[REDACTED]

Beneficiary Name

Detroit Water and Sewer Dept

Address Line 1

735 Randolph

Address Line 2

Room 701

City, State/Province, Zip/Postal Code

Detroit, MI 48226

Country

UNITED STATES - US

BENEFICIARY BANK

Bank ID Type

United States FED ABA

United States FED ABA

[REDACTED]

Bank Name

U.S. BANK N.A.

Address Line 1

P O BOX 1038 - ML 1320

City, State/Province, Zip/Postal Code

CINCINNATI, OH, 45201-1038

Country

UNITED STATES - US

CITY OF FLINT

Payment Detail Report

For Informational Purposes Only

J.P.Morgan

INTERMEDIARY BANK

Bank ID Type

No ID

REFERENCE INFORMATION

Payment Details

City of Flint Water

BANK TO BANK

Charges

Remitter

Priority

No

Date Created

10/16/2015 02:50 PM EDT

Payment ID

16232630

Bank Reference

[REDACTED]

Settlement Reference

FED Ref: 1016B1QGC07C007988

RESOLUTION NO.: CA100284572

PRESENTED: 10-12-15

ADOPTED: RTAB 10-14-15

RESOLUTION AUTHORIZING A BUDGET AMENDMENT TO INCREASE THE WATER AND SEWER BUDGET BY \$12,000,000.00 AND TO ALLOW FOR EXPENDITURES FROM THOSE FUNDS TO FACILITATE THE SWITCH BACK TO THE DWSD WATER SUPPLY

BY THE CITY ADMINISTRATOR:

Due to the serious health threat facing the residents of the City of Flint, the Administration has been diligently working toward a feasible and speedy resolution to the City's water crisis; and

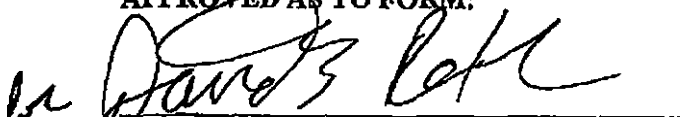
Through the commitment of \$6 million from the State of Michigan and \$4 million from the C.S. Mott Foundation, a total of \$10 million in contributions have been pledged to assist the City with the cost of purchasing water from the Detroit Water and Sewerage Department and its successor, the Great Lakes Water Authority, until the City is able to receive water from the Karegnondi Water Authority (KWA).

The City Administrator and the Mayor have agreed to the acceptance of these funds. At this time, the KWA reports that construction is on schedule to be completed by June 30, 2016. The City estimates that the total cost to purchase water through DWSD will be \$12 million for 9 months. The balance of \$2 million not covered by the generous pledges of State and Local resources is the responsibility of the City.

A budget amendment is necessary to reflect both an increase in revenues for the receipt of \$10 million in assistance and \$2 million of budgeted Use of Fund Balance and an increase in expenditures of \$12 million for the purchase of DWSD water supply.

IT IS RESOLVED that the Finance Department is authorized to process a budget amendment to the appropriate Water and Sewer funds to facilitate the switch back to the Detroit water system as soon as practicable. Specific revenue and expenditure line items will be provided by the Chief Financial Officer.

APPROVED AS TO FORM:


Peter M. Bade, City Attorney

FOR THE CITY OF FLINT:


Natasha L. Henderson, City Administrator

APPROVED AS TO FINANCE:


Jody N. Lundquist, Chief Financial Officer

APPROVED BY THE FLINT CITY COUNCIL:



PRESENTED TO CITY COUNCIL: 10/12/2015

ADOPTED BY CITY COUNCIL: 10/12/2015

**ADOPTED BY THE
RECEIVERSHIP TRANSITION
ADVISORY BOARD
OCTOBER 14, 2015**



CITY OF DETROIT
WATER AND SEWERAGE DEPARTMENT
GENERAL ADMINISTRATION

735 RANDOLPH STREET
DETROIT, MICHIGAN 48226-2830
WWW.DWSD.ORG

November 25, 2015

Jody N. Lundquist
Chief Financial Officer
City of Flint
1101 S. Saginaw Street, 2nd Floor
Flint, MI 48502

RE: November, 2015 Invoice for Water Supply Service

Included with this letter is the November invoice from the City of Detroit Water and Sewerage Department ("DWSD") for water services provided from October 16, 2015 to October 31, 2015. Per the Water Services Agreement, effective October 16, 2015, the invoiced amount of \$581,722.75 will be paid from the \$10 million Estimated Prepayment previously transferred to DWSD by the City of Flint on October 19, 2015. The remaining balance in the Estimated Prepayment account after payment of this invoice is \$9,418,277.25. We will continue to monitor the balance in the Estimated Prepayment account to ensure sufficient funds remain to pay subsequent invoices. Should you have any dispute with, or questions regarding this invoice, please contact me immediately.

Sincerely,

Jon Wheatley
Public Finance Manager
Detroit Water & Sewerage Department
735 Randolph, 16th Floor
Detroit, MI 48226
Office: (313) 224-4771
wheatley@dwsd.org

MIKE DUGGAN, MAYOR

Please Recruit Payments To:

BOARD OF WATER COMMISSIONERS
City of Detroit

Suburban Billing
P.O. Box 32681 / Detroit, MI 48232

FOR BILLING INQUIRIES CALL:
(313) 864-8045 or 864-8146

CITY OF FLINT

CITY OF FLINT

188

BILLING DATE: 12/24/15
DUE DATE: 12/28/15

WHOLESALE WATER

METER NUMBER	SITE NO.	METER SIZE	PREVIOUS DATE	READING	READ TYPE	PRESENT DATE	READING	READ TYPE	CONSUMPTION	CONSUMPTION AMOUNT
ACCOUNT #										
GNDC-Deduct			10/16/15	0	ACT	11/01/15	268750	ACT		26,875.00

TOTAL CONSUMPTION: 26,875.00

PREVIOUS ACTIVITY

Previous Balance

\$0.00

Payment 10/22/15 - THANK YOU

\$10,000,000.00

Balance Forward

\$10,000,000.00

CURRENT ACTIVITY

Water Usage/Sewage Disposal

\$239,993.75

Fixed Charge

\$341,729.00

Total Current Charges

\$581,722.75

CREDIT BALANCE ON ACCOUNT

\$9,418,277.25

CONSUMPTION SAME PERIOD
LAST YEAR

TOTAL AMOUNT DUE

BY

\$418,277.25 CR

PLEASE DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT. PLEASE BRING ENTIRE BILL WHEN PAYING IN OFFICE.

85

Make checks payable to Board of Water Commissioners.



FOR BILLING INQUIRIES CALL:

(313) 864-8045 or 864-8146

MON-FRI 8:30 AM - 5:00 PM

TOTAL AMOUNT DUE

\$ DO NOT PAY

DUE
DATE

IF PAID AFTER DUE DATE,
PLEASE PAY THIS AMOUNT

\$

Account Name: CITY OF FLINT

CITY OF FLINT
JODY LUNDQUIST, CFO
1101 S. SAGINAW ST, 3RD FLOOR
CITY OF FLINT MI 48502

AMOUNT REMITTED \$ DO NOT PAY

ACCOUNT NUMBER

0020451300 0000000000 6

1. Revenue assumptions were based on YTD billing activity and current collection rates projected through FY17 and held constant into FY17.
2. Assuming that the City continues to delay issuance of that collection rate will continue to decline on a yearly basis.
3. Expenditure activity for the year ended January 2016 June 2016 reflects unencumbered bills as of December 31, 2015, based equally upon the remaining 6 months of the fiscal year.
4. Expenditure activity for the period July 2016 December 2016 assumes the FY17 budget projection as included in the General Fund & FY17 Budget as adopted by emergency manager order.
5. The City will likely have to continue purchasing treated water from the Great Lakes Water Authority through the next quarter of FY17. An amount for this purpose is shown.

Under \$750,000 After 7/1/2016

Average Monthly Collection Rate
Rate Increase

80% 0% 0%

GLWA Water Purchase \$ 3,333,333

ACTUAL AUGUST 2015 2,595,435

ACTUAL SEPTEMBER 2015 2,768,599

ACTUAL OCTOBER 2015 2,828,648

ACTUAL NOVEMBER 2015 16,258,668

ACTUAL DECEMBER 2015 16,002,098

ACTUAL JANUARY 2016 1,765,977

ACTUAL FEBRUARY 2016 1,765,977

ACTUAL MARCH 2016 1,765,977

ACTUAL APRIL 2016 1,765,977

ACTUAL MAY 2016 1,765,977

ACTUAL JUNE 2016 1,765,977

ACTUAL JULY 2016 1,765,977

ACTUAL AUGUST 2016 1,765,977

ACTUAL SEPTEMBER 2016 1,765,977

ACTUAL OCTOBER 2016 1,765,977

ACTUAL NOVEMBER 2016 1,765,977

ACTUAL DECEMBER 2016 1,765,977

ACTUAL JANUARY 2017 1,765,977

ACTUAL FEBRUARY 2017 1,765,977

ACTUAL MARCH 2017 1,765,977

ACTUAL APRIL 2017 1,765,977

ACTUAL MAY 2017 1,765,977

ACTUAL JUNE 2017 1,765,977

ACTUAL JULY 2017 1,765,977

ACTUAL AUGUST 2017 1,765,977

ACTUAL SEPTEMBER 2017 1,765,977

ACTUAL OCTOBER 2017 1,765,977

ACTUAL NOVEMBER 2017 1,765,977

ACTUAL DECEMBER 2017 1,765,977

ACTUAL JANUARY 2018 1,765,977

ACTUAL FEBRUARY 2018 1,765,977

ACTUAL MARCH 2018 1,765,977

ACTUAL APRIL 2018 1,765,977

ACTUAL MAY 2018 1,765,977

ACTUAL JUNE 2018 1,765,977

ACTUAL JULY 2018 1,765,977

ACTUAL AUGUST 2018 1,765,977

ACTUAL SEPTEMBER 2018 1,765,977

ACTUAL OCTOBER 2018 1,765,977

ACTUAL NOVEMBER 2018 1,765,977

ACTUAL DECEMBER 2018 1,765,977

ACTUAL JANUARY 2019 1,765,977

ACTUAL FEBRUARY 2019 1,765,977

ACTUAL MARCH 2019 1,765,977

ACTUAL APRIL 2019 1,765,977

ACTUAL MAY 2019 1,765,977

ACTUAL JUNE 2019 1,765,977

ACTUAL JULY 2019 1,765,977

ACTUAL AUGUST 2019 1,765,977

ACTUAL SEPTEMBER 2019 1,765,977

ACTUAL OCTOBER 2019 1,765,977

ACTUAL NOVEMBER 2019 1,765,977

ACTUAL DECEMBER 2019 1,765,977

ACTUAL JANUARY 2020 1,765,977

ACTUAL FEBRUARY 2020 1,765,977

ACTUAL MARCH 2020 1,765,977

ACTUAL APRIL 2020 1,765,977

ACTUAL MAY 2020 1,765,977

ACTUAL JUNE 2020 1,765,977

ACTUAL JULY 2020 1,765,977

ACTUAL AUGUST 2020 1,765,977

ACTUAL SEPTEMBER 2020 1,765,977

ACTUAL OCTOBER 2020 1,765,977

ACTUAL NOVEMBER 2020 1,765,977

ACTUAL DECEMBER 2020 1,765,977

ACTUAL JANUARY 2021 1,765,977

ACTUAL FEBRUARY 2021 1,765,977

ACTUAL MARCH 2021 1,765,977

ACTUAL APRIL 2021 1,765,977

ACTUAL MAY 2021 1,765,977

ACTUAL JUNE 2021 1,765,977

ACTUAL JULY 2021 1,765,977

ACTUAL AUGUST 2021 1,765,977

ACTUAL SEPTEMBER 2021 1,765,977

ACTUAL OCTOBER 2021 1,765,977

ACTUAL NOVEMBER 2021 1,765,977

ACTUAL DECEMBER 2021 1,765,977

ACTUAL JANUARY 2022 1,765,977

ACTUAL FEBRUARY 2022 1,765,977

ACTUAL MARCH 2022 1,765,977

ACTUAL APRIL 2022 1,765,977

ACTUAL MAY 2022 1,765,977

ACTUAL JUNE 2022 1,765,977

ACTUAL JULY 2022 1,765,977

ACTUAL AUGUST 2022 1,765,977

ACTUAL SEPTEMBER 2022 1,765,977

ACTUAL OCTOBER 2022 1,765,977

ACTUAL NOVEMBER 2022 1,765,977

ACTUAL DECEMBER 2022 1,765,977

ACTUAL JANUARY 2023 1,765,977

ACTUAL FEBRUARY 2023 1,765,977

ACTUAL MARCH 2023 1,765,977

ACTUAL APRIL 2023 1,765,977

ACTUAL MAY 2023 1,765,977

ACTUAL JUNE 2023 1,765,977

ACTUAL JULY 2023 1,765,977

ACTUAL AUGUST 2023 1,765,977

ACTUAL SEPTEMBER 2023 1,765,977

ACTUAL OCTOBER 2023 1,765,977

ACTUAL NOVEMBER 2023 1,765,977

ACTUAL DECEMBER 2023 1,765,977

ACTUAL JANUARY 2024 1,765,977

ACTUAL FEBRUARY 2024 1,765,977

ACTUAL MARCH 2024 1,765,977

ACTUAL APRIL 2024 1,765,977

ACTUAL MAY 2024 1,765,977

ACTUAL JUNE 2024 1,765,977

ACTUAL JULY 2024 1,765,977

ACTUAL AUGUST 2024 1,765,977

ACTUAL SEPTEMBER 2024 1,765,977

ACTUAL OCTOBER 2024 1,765,977

ACTUAL NOVEMBER 2024 1,765,977

ACTUAL DECEMBER 2024 1,765,977

ACTUAL JANUARY 2025 1,765,977

ACTUAL FEBRUARY 2025 1,765,977

ACTUAL MARCH 2025 1,765,977

ACTUAL APRIL 2025 1,765,977

ACTUAL MAY 2025 1,765,977

ACTUAL JUNE 2025 1,765,977

ACTUAL JULY 2025 1,765,977

ACTUAL AUGUST 2025 1,765,977

ACTUAL SEPTEMBER 2025 1,765,977

ACTUAL OCTOBER 2025 1,765,977

ACTUAL NOVEMBER 2025 1,765,977

ACTUAL DECEMBER 2025 1,765,977

ACTUAL JANUARY 2026 1,765,977

ACTUAL FEBRUARY 2026 1,765,977

ACTUAL MARCH 2026 1,765,977

ACTUAL APRIL 2026 1,765,977

ACTUAL MAY 2026 1,765,977

ACTUAL JUNE 2026 1,765,977

ACTUAL JULY 2026 1,765,977

ACTUAL AUGUST 2026 1,765,977

ACTUAL SEPTEMBER 2026 1,765,977

ACTUAL OCTOBER 2026 1,765,977

ACTUAL NOVEMBER 2026 1,765,977

ACTUAL DECEMBER 2026 1,765,977

ACTUAL JANUARY 2027 1,765,977

ACTUAL FEBRUARY 2027 1,765,977

ACTUAL MARCH 2027 1,765,977

ACTUAL APRIL 2027 1,765,977

ACTUAL MAY 2027 1,765,977

ACTUAL JUNE 2027 1,765,977

ACTUAL JULY 2027 1,765,977

ACTUAL AUGUST 2027 1,765,977

ACTUAL SEPTEMBER 2027 1,765,977

ACTUAL OCTOBER 2027 1,765,977

ACTUAL NOVEMBER 2027 1,765,977

ACTUAL DECEMBER 2027 1,765,977

ACTUAL JANUARY 2028 1,765,977

ACTUAL FEBRUARY 2028 1,765,977

ACTUAL MARCH 2028 1,765,977

ACTUAL APRIL 2028 1,765,977

ACTUAL MAY 2028 1,765,977

ACTUAL JUNE 2028 1,765,977

ACTUAL JULY 2028 1,765,977

ACTUAL AUGUST 2028 1,765,977

ACTUAL SEPTEMBER 2028 1,765,977

ACTUAL OCTOBER 2028 1,765,977

ACTUAL NOVEMBER 2028 1,765,977

ACTUAL DECEMBER 2028 1,765,977

ACTUAL JANUARY 2029 1,765,977

ACTUAL FEBRUARY 2029 1,765,977

ACTUAL MARCH 2029 1,765,977

ACTUAL APRIL 2029 1,765,977

ACTUAL MAY 2029 1,765,977

ACTUAL JUNE 2029 1,765,977

ACTUAL JULY 2029 1,765,977

ACTUAL AUGUST 2029 1,765,977

ACTUAL SEPTEMBER 2029 1,765,977

ACTUAL OCTOBER 2029 1,765,977

ACTUAL NOVEMBER 2029 1,765,977

ACTUAL DECEMBER 2029 1,765,977

ACTUAL JANUARY 2030 1,765,977

ACTUAL FEBRUARY 2030 1,765,977

ACTUAL MARCH 2030 1,765,977

ACTUAL APRIL 2030 1,765,977

ACTUAL MAY 2030 1,765,977

ACTUAL JUNE 2030 1,765,977

ACTUAL JULY 2030 1,765,977

ACTUAL AUGUST 2030 1,765,977

ACTUAL SEPTEMBER 2030 1,765,977

ACTUAL OCTOBER 2030 1,765,977

ACTUAL NOVEMBER 2030 1,765,977

ACTUAL DECEMBER 2030 1,765,977

ACTUAL JANUARY 2031 1,765,977

ACTUAL FEBRUARY 2031 1,765,977

ACTUAL MARCH 2031 1,765,977

ACTUAL APRIL 2031 1,765,977

ACTUAL MAY 2031 1,765,977

ACTUAL JUNE 2031 1,765,977

ACTUAL JULY 2031 1,765,977

ACTUAL AUGUST 2031 1,765,977

ACTUAL SEPTEMBER 2031 1,765,977

ACTUAL OCTOBER 2031 1,765,977

ACTUAL NOVEMBER 2031 1,765,977

ACTUAL DECEMBER 2031 1,765,977

ACTUAL JANUARY 2032 1,765,977

ACTUAL FEBRUARY 2032 1,765,977

ACTUAL MARCH 2032 1,765,977

ACTUAL APRIL 2032 1,765,977

ACTUAL MAY 2032 1,765,977

ACTUAL JUNE 2032 1,765,977

ACTUAL JULY 2032 1,765,977

ACTUAL AUGUST 2032 1,765,977

ACTUAL SEPTEMBER 20

	PROJECTED SEPTEMBER 2016	PROJECTED OCTOBER 2016	PROJECTED NOVEMBER 2016	PROJECTED DECEMBER 2016
BEGINNING CASH BALANCE	4,378,789	2,217,275	54,761	(2,107,733)
CASH RECEIPTS				
User Charges	1,324,483	1,324,483	1,324,483	1,324,483
Grants and State Appropriations	8,311	8,311	8,311	8,311
Other Revenue				
Continuance of Deposit Activity				
TOTAL CASH RECEIPTS	1,332,816	1,332,816	1,332,816	1,332,816
CASH DISBURSEMENTS				
Salaries and Benefits	996,726	996,726	996,726	996,726
Supplies	214,083	214,083	214,083	214,083
Contractual Services	1,331,086	1,331,086	1,331,086	1,331,086
Purchase of Treated Water				
Claims				
Utilities	104,589	104,589	104,589	104,589
Equipment Operation	8,627	8,627	8,627	8,627
Repair and Maintenance	178,581	178,581	178,581	178,581
Insurance				
Transfer to Debt Service Fund	260,147	260,147	260,147	260,147
Other Expenses	158,055	158,055	158,055	158,055
Transfer Out	415,992	415,992	415,992	415,992
TOTAL CASH DISBURSEMENTS	4,515,920	4,515,920	4,515,920	4,515,920
NET CASH FLOW	(1,147,131)	(1,147,131)	(1,147,131)	(1,147,131)
BEGINNING CASH BALANCE	2,106,653	94,171	2,128,140	2,208,351

	Until 6/30/2016	After 7/1/2016
Average Monthly Collection Rate	85%	95%
Rate Increase	27%	22%

[illegible]

	enclosed as 27%	PROJECTED SEPTEMBER 2016	PROJECTED OCTOBER 2016	PROJECTED NOVEMBER 2016	PROJECTED DECEMBER 2016
		2016	2016	2016	2016
BEGINNING CASH BALANCE		8,645,466	7,520,644	6,186,213	5,271,621
CASH RECEIPTS					
User Charges		2,182,965	2,182,965	2,181,965	2,382,965
Grants and State Appropriations					
Other Revenue		8,111	8,111	8,111	8,111
Certification of Deposit Activity					
TOTAL CASH RECEIPTS		2,191,076	2,191,076	2,190,076	2,391,076
CASH DISBURSEMENTS					
Salaries and Benefits		896,726	896,726	896,726	896,726
Supplies		214,083	214,083	214,083	214,083
Contractual Services		1,231,055	1,231,055	1,231,055	1,231,055
Purchase of Treated Water		-	-	-	-
Claims		-	-	-	-
Utilities		104,538	104,538	104,538	104,538
Equipment Operation		8,657	8,657	8,657	8,657
Repairs and Maintenance		178,511	178,511	178,511	178,511
Insurance		-	-	-	-
Transfers to Debt Service Fund		260,147	260,147	260,147	260,147
Other Expenses		160,018	160,018	160,018	160,018
Transfers Out		413,582	413,582	413,582	413,582
TOTAL CASH DISBURSEMENTS		2,916,560	2,916,560	2,916,560	2,916,560
NET CASH FLOW		(1,124,484)	(1,124,484)	(1,124,484)	(1,124,484)
ENDING CASH BALANCE		7,520,982	6,396,213	5,271,621	4,146,981

Richard (Treasury) SAM, Analyst II, UOS, CA, Ve Nelson, Tony Chubb

Dostine, Patrick (TREASURY)

Wednesday, January 27, 2016 8:11 AM

Byrne, Randall (Treasury), Cline, Richard (Treasury); Heimann, Alexandr (TREASURY),

Vandegrift, Drew (TREASURY)

Flint and Lincoln Park

Subject:

Who would like to host Flint?

Alex, will you note take?

I will host and scribe LP.

→ 9 am Flint - Jan. 27 - Mayor Weaver, Council President Nelson, N. Henderson, R. Byrne P. Dostine, A. Heimann, W. Lamphier, F. Headen

- Priorities
- Mayor Weaver
- Updates Council President - N/A
- Updates N Henderson
- Third party performing the tests in Flint homes?
- DPW director - Being Poised; 11 Resumes already
- City charter commission update - No substantive action
- Miscellaneous - Letter re State for litigation costs

- C V C

10 am Lincoln Park - Jan. 27 - M. Coppler D. Van de Grift, A. Heimann, P. Dostine

- Priorities
- MERs decision. Update?
- Miscellaneous

Patrick Dostine

State of Michigan
Department of Treasury
Local Government Financial Services Division
Cadillac Place
3044 W Grand Blvd
Detroit, MI 48202
(office) 313.456 1772
dostinep@michigan.gov

CONFIDENTIALITY NOTICE: This e-mail, and any attachments, is for the sole use of the intended recipient(s) and may contain information that is confidential and protected from disclosure under the law. Any unauthorized review, use, disclosure, or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail, and delete/destroy all copies of the original message and attachments.

WATER

EPA Order - Meeting to Discuss; Very complex

- City cannot do some things → Contractor? ; EPA Pay?
- Add Much More Testing - Water Quality

DWRLE - Want Loans Forgiveness

- \$25M? - 5-yr Plan
- Improve Water Flow across System

Corrosion Control - Nearly Compliant, Lead & Significantly

Testing - 400/day; Collect by city; DEO Analysis

HHS

Blood Testing ↑

City wants more org + coord

~~2012~~

Mays

Coord w/ AG to file

Water Usage

Usage steady

Payments ↓

SHEARS

Jan 11 Revision

Master Fee Rates OK

but not implemented

July 1, 2012 - can collect forward

Sept 2011 - July 2012 - Unresolved [< \$10M]

Settlement Talks Scheduled

Kincaid

Amended Complaint? - Illegal Acts Since 2006

Robert, Carla M. (Treasury)

From: Headen, Frederick (Treasury)
Sent: Wednesday, January 27, 2016 8:44 AM
To: Monticello, Frank (AG)
Cc: Khouri, Nick (TREASURY); Saxton, Thomas (Treasury); Doyle, Maureen (Treasury); Pleyte, Beth (Treasury)
Subject: Concerned Pastors for Social Action Litigation, 1-27-16
Attachments: 16-cv-10277-complaint.pdf

Importance: High

Frank:

Please find attached a copy of a complaint entitled *Concerned Pastors for Social Action, Melissa Mays, ACLU, and Natural Resources Defense Council v State Treasurer, Flint RTAB, and Flint City Administrator*. The case appears to have been filed this morning in United States District Court, Eastern District. I received a copy of the complaint by e-mail a short time ago.

You will recall that plaintiffs served a Notice of Intent to Sue upon the defendants and your Office on November 16, 2015. In addition to the State Treasurer, Flint RTAB members, and City Administrator, the Notice of Intent to Sue also listed as defendants the Governor, now former DEQ Director Dan Wyant, and Flint Mayor Weaver. The latter three officials have been dropped from the filed complaint.

Please consider this e-mail a request for legal representation for the State Treasurer and Flint RTAB members. Should you need further information or wish to discuss, let me know. Thanks.

Fred

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

CONCERNED PASTORS FOR
SOCIAL ACTION; MELISSA MAYS;
AMERICAN CIVIL LIBERTIES
UNION OF MICHIGAN; and
NATURAL RESOURCES DEFENSE
COUNCIL, INC.,

Plaintiffs,

v.

Case No. 16-10277

NICK A. KHOURI, in his official
capacity as Secretary of Treasury of
the State of Michigan; FREDERICK
HEADEN, in his official capacity as
Chairperson of the Flint Receivership
Transition Advisory Board;
MICHAEL A. TOWNSEND, in his
official capacity as Member of the
Flint Receivership Transition
Advisory Board; DAVID MCGHEE,
in his official capacity as Member of
the Flint Receivership Transition
Advisory Board; MICHAEL A.
FINNEY, in his official capacity as
Member of the Flint Receivership
Transition Advisory Board; BEVERLY
WALKER-GRIFFEA, in her official
capacity as Member of the Flint
Receivership Transition Advisory
Board; NATASHA HENDERSON, in
her official capacity as City
Administrator; and CITY OF FLINT,
Defendants. _____/

Hon.

COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF

INTRODUCTION

1. The water in Flint, Michigan is not safe to drink. It has not been safe to drink since April 2014, when city and state officials began using the Flint River as a source of drinking water and caused lead to leach into the city's water supply.

2. This case is about the government's failure to comply with the federal law that requires cities to deliver safe drinking water to the public. The Safe Drinking Water Act directs officials who operate water systems to test drinking water for harmful contaminants and to treat the water to control for those contaminants. City and state officials' complete disregard for those requirements is exposing the people of Flint to lead, a powerful toxin that is devastating to the human body.

3. Flint was once a prosperous city with a strong economy built around the automotive industry. But the closing and relocation of automotive plants over the past thirty years hurt the city's economy and tax base, contributing to a shrinking population and resulting in increased unemployment, poverty, and crime. Flint is now a struggling city. More than forty percent of Flint residents live below the poverty level, and more

than a quarter of its working-age residents are unemployed.

4. In November 2011, in response to Flint's budget deficit and mounting debt, Michigan Governor Rick Snyder declared a financial emergency in the city. He stripped local elected officials of all of their authority and installed a state-appointed Emergency Manager to take over and run the city's operations. The Emergency Manager was not removable by Flint voters or otherwise accountable to the Flint electorate.

5. To save the city money, the Emergency Manager and other state officials decided to switch the city's drinking water source from Lake Huron to the Flint River. The Flint River has long been known to residents as a contaminated dumping ground for nearby industries. In making this switch, city and state officials sent Flint River water flowing into the homes, schools, and churches in Flint without following federal requirements for treating and testing drinking water for lead.

6. These decisions have endangered the health of Flint's residents. When run through the city's aging metallic pipes, the corrosive Flint River water ate away at those pipes, causing lead to leach into drinking water. The people of Flint have been exposed and are still being exposed to high levels of lead in their water. In the past two years, the percentage of Flint

children with elevated levels of lead in their blood has doubled and in some areas has nearly tripled.

7. Flint residents began raising concerns about the safety of their drinking water nearly two years ago. Government officials dismissed their concerns and insisted that the water was safe to drink. State officials even disregarded researchers' findings that the water contained dangerously high levels of lead. Not until a national spotlight was focused on Flint did city and state officials belatedly acknowledge a problem.

8. Despite this far-too-late acknowledgement, the problems in Flint have not been fixed. Public trust has been eroded by government officials' efforts to evade responsibility in this crisis. The damage done to city pipes from the Flint River water means that lead will continue to contaminate Flint's drinking water. This contamination poses an ongoing health risk to the city's residents, especially young children, who are most vulnerable to the effects of lead.

9. The harms suffered by Flint residents will not be addressed until city and state officials properly treat Flint's water to control lead, properly test the water for lead contamination, promptly notify residents of testing results, and report their activities to state regulators, all as required

by the Safe Drinking Water Act.

10. Plaintiffs are individuals and citizens' groups whose members live in homes served by Flint's water system. They bring this suit as citizens to ensure that the water provided to their homes will no longer threaten their health, and to address the medical and health harms they have suffered.

JURISDICTION AND VENUE

11. This Court has subject matter jurisdiction over this action pursuant to the Safe Drinking Water Act, 42 U.S.C. § 300j-8(a), and the federal-question jurisdiction statute, 28 U.S.C. § 1331. The Court may award Plaintiffs all necessary injunctive relief pursuant to the Safe Drinking Water Act, 42 U.S.C. § 300j-8(a), (e), and declaratory relief pursuant to the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202.

12. Venue is proper in this district under 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omissions giving rise to Plaintiffs' claims occurred in this judicial district, in Flint, Michigan.

13. Plaintiffs have provided Defendants, the Administrator of the U.S. Environmental Protection Agency (EPA), and the Michigan Attorney General with at least sixty days' written notice of the violations of law

alleged here in the form and manner required by the Safe Drinking Water Act. 42 U.S.C. § 300j-8(b); 40 C.F.R. §§ 135.11-.13. A copy of Plaintiffs' November 16, 2015 notice letter is attached as Exhibit A to this Complaint.

THE PARTIES

14. Plaintiffs consist of organizational plaintiffs Concerned Pastors for Social Action (Concerned Pastors), American Civil Liberties Union of Michigan (ACLU-MI), and Natural Resources Defense Council, Inc. (NRDC), and individual plaintiff Melissa Mays.

15. Concerned Pastors is a nonprofit association of religious leaders and congregations from more than thirty predominantly African American churches and ministries in the City of Flint (City) and its surrounding communities. The association was founded nearly fifty years ago to protect the rights of the underserved and improve the lives of the people of Flint. Concerned Pastors has been organizing and advocating for safe drinking water in Flint for nearly two years. Its efforts include holding public rallies and meetings, liaising with state and local elected officials, and distributing thousands of cases of bottled water and water filters to community members. Concerned Pastors is committed to protecting the health of Flint's children and families from the City's contaminated drinking water.

Concerned Pastors is organized under the laws of Michigan and has an office address of 2200 Forest Hill, Flint, Michigan 48504.

16. Plaintiff ACLU-MI is a nonprofit organization founded in 1959. ACLU-MI's mission is to protect the freedoms and rights of all Michigan citizens. Through public education, advocacy, organizing, and litigation, ACLU-MI works to guarantee the benefits of our nation's laws to everyone. ACLU-MI played a significant role in investigating the water problems in Flint while the City was under emergency management and exposing the lead contamination in its drinking water. ACLU-MI has approximately 9,000 members, more than ninety-five of whom live in Flint. ACLU-MI is incorporated under the laws of Michigan and has an office address of 2966 Woodward Avenue, Detroit, Michigan 48201.

17. Plaintiff NRDC is an international, nonprofit environmental organization. NRDC engages in research, advocacy, and litigation to protect public health and reduce the exposure of all communities to toxic substances. NRDC's work includes advocacy aimed at ensuring that all Americans have access to safe and affordable drinking water that is free from dangerous contaminants. Founded in 1970, NRDC has more than 294,000 members nationwide, including more than 8,600 members who

reside in Michigan, eighty of whom live in Flint. NRDC is incorporated under the laws of New York and is headquartered at 40 West 20th Street, New York, New York 10011.

18. Concerned Pastors, ACLU-MI, and NRDC bring this action on behalf of their members. Members of these organizations are residents of Flint whose homes are served by the City's water system (Water System). These members and their families live, work, recreate, attend church, and go to school in buildings that receive Flint's water.

19. Members of Concerned Pastors, ACLU-MI, and NRDC living in Flint are harmed, and will continue to be harmed, by Defendants' violations of the Safe Drinking Water Act unless this Court grants the requested relief. These members are harmed, and will continue to be harmed, because they have an increased risk of exposure to elevated levels of lead in their drinking water.

20. High levels of lead have been found in drinking water in homes and schools throughout Flint. Members of Concerned Pastors, ACLU-MI, and NRDC are reasonably fearful of exposure to lead from their drinking water. They are concerned about their health and the health of their children, including potential long-term developmental problems.

21. Because of these members' reasonable concerns about lead exposure, they use bottled water and/or install water filters in their homes to minimize their risk. Members of these organizations would prefer to use unfiltered tap water that they purchase from the Water System, rather than having to incur additional costs and inconvenience to use bottled water and/or install water filters. These filters, if not used, changed, and maintained regularly and properly, can stop working or even make lead problems worse. Members also have visited and will continue to visit doctors to have their blood tested for lead.

22. Members of Concerned Pastors, ACLU-MI, and NRDC are harmed by these and other actions they are taking to protect themselves and their families from Flint's water. Their injuries will be redressed by an order requiring Defendants to monitor and control for lead in Flint's drinking water in accordance with the Safe Drinking Water Act and to comply with the Act's reporting and notification requirements. Such an order will enable members to make informed decisions about whether their tap water is safe to drink and will remediate the dangerous conditions and health risks that the members continue to be exposed to as a result of Defendants' continued noncompliance.

23. Plaintiff Melissa Mays and her husband live in Flint with their three sons, ages eleven, twelve, and seventeen. From when she moved to Flint in 2002 until September 2014, Ms. Mays and her family used tap water supplied by the Water System for drinking and cooking. In September 2014, after the City issued a temporary advisory instructing all residents to boil their drinking water, Ms. Mays and her family stopped drinking Flint's water. In January 2015, Ms. Mays and her family stopped cooking with the City's water.

24. Ms. Mays is concerned about her health and the health of her family. She is harmed because she and her family have an increased risk of exposure to elevated levels of lead in their drinking water. She is reasonably fearful that she and her family have been exposed and will continue to be exposed to lead if they drink and cook with Flint's water. She is harmed, and will continue to be harmed, by Defendants' violations of the Safe Drinking Water Act, unless this Court grants the requested relief.

25. Ms. Mays' concerns have caused her to stop using Flint's water for drinking and cooking, to minimize her risk of exposure to lead. Although Ms. Mays would use her home's tap water if it were safe to

drink, Ms. Mays' reasonable fears about lead in her tap water have forced her to purchase water filters and bottled water for herself and her family and to visit doctors routinely to monitor her family's health. Ms. Mays has been forced to take these actions, including incurring considerable costs and inconvenience, to protect herself and her family from lead in Flint's drinking water.

26. Ms. Mays' injuries will be redressed by an order requiring Defendants to monitor and control for lead in Flint's drinking water and report information in accordance with the Safe Drinking Water Act.

27. Defendant Nick A. Khouri is sued in his official capacity as Secretary of Treasury of the State of Michigan. He oversees and manages the City's operations while the City remains under state control. Pursuant to his authority under the Michigan Local Financial Stability and Choice Act, *see* Mich. Comp. Laws § 141.1561(2), Defendant Khouri must approve amendments to the City budget, including amendments resulting from large contracts the City enters. He or his designee must also sit on the Flint Receivership Transition Advisory Board (Board), a group of state-appointed officials presently monitoring the City. *Id.* §§ 141.1552(3), .1563(2). Defendant Khouri is an operator of the Water System within the

meaning of the Safe Drinking Water Act.

28. Defendant Frederick Headen is sued in his official capacity as Chairperson of the Board, and Defendants Michael A. Townsend, David McGhee, Michael A. Finney, and Beverly Walker-Griffa are sued in their official capacities as Members of the Board. The Board directs the City's affairs alongside city officials. The Board must approve certain contracts and all resolutions, ordinances, and budget amendments adopted by the City Council before they can take effect, including those concerning the operations of the Water System. Defendants Headen, Townsend, McGhee, Finney, and Walker-Griffa are operators of the Water System within the meaning of the Safe Drinking Water Act.

29. Defendant Natasha Henderson is sued in her official capacity as the City Administrator of Flint. She directs and supervises the day-to-day operations of the City, including the operations of the Water System. Flint's Emergency Manager appointed Defendant Henderson to her position. Defendant Henderson is an operator of the Water System within the meaning of the Safe Drinking Water Act.

30. Defendant City of Flint is the owner and an operator of a "public water system" as defined by the Safe Drinking Water Act. 42 U.S.C.

§ 300f(4); 40 C.F.R. § 141.2. A public water system is a system that provides drinking water through pipes to at least twenty-five people, and includes water collection, treatment, storage, and distribution facilities. 42 U.S.C. § 300f(4); 40 C.F.R. § 141.2. As an owner and operator of a public water system, the City is also a “supplier of water.” 42 U.S.C. § 300f(5); 40 C.F.R. § 141.2. The Water System is a large public water system for purposes of the Act. 40 C.F.R. § 141.2.

FACTS

Harmful effects of lead

31. Lead can harm nearly all of the body’s functions and organs, and is particularly damaging to the nervous system.

32. Young children are especially vulnerable to lead. Lead exposure in children can cause a wide array of problems, but is most harmful to a child’s developing brain. Even low levels of lead exposure during childhood can result in lower intelligence, poorer academic performance, developmental delays, attention deficits, impulsivity, and other behavioral problems. Some of these effects appear to be irreversible.

33. Lead can pass from a pregnant woman to her developing baby, which can cause the baby to be born premature or underweight, and can

harm the baby's brain. Lead can also pass from nursing mothers to their babies through breastmilk.

34. Exposure to lead also harms adults, including by causing nerve disorders, decreased kidney function, reproductive problems, and gastrointestinal damage. Adults exposed to lead may also suffer from muscle and joint pain, memory and concentration problems, and high blood pressure.

35. Lead is uniquely harmful because, after it enters the bloodstream, it is distributed throughout the body just like iron and calcium. It settles in bones, where it interferes with the production of blood cells and the absorption of calcium. Calcium is necessary for muscle and nerve function, and for bone growth in children. Lead may remain stored in bones for years, from where it can be reabsorbed into blood during times of physiological change, including stress, pregnancy, lactation, broken bones, and advanced age.

36. People can be exposed to lead by breathing air containing lead particles or by ingesting water, food, or dust contaminated with lead.

37. Children and adults who have been exposed to lead may not immediately show symptoms. The effects of exposure often do not appear

for years, even long after measures of lead levels in blood have returned to normal.

38. There is no safe level of lead in blood.

Lead in drinking water

39. Water sources vary in terms of their chemical properties. When water displays certain characteristics including an acidic pH, it is considered corrosive.

40. Corrosive water dissolves metals from metallic pipes at a high rate. This can cause lead contained in pipes and the solder joining pipes to leach into drinking water in significant amounts. *See* 56 Fed. Reg. 26,460, 26,463, 26,466 (June 7, 1991). This leaching can continue indefinitely. *Id.* at 26,466.

41. The amount of lead that leaches into drinking water depends heavily on the corrosivity of the source water. *Id.*

42. Over the past several decades, drinking water has become a more significant source of lead exposure, as regulation has reduced the risk of lead exposure from other sources such as lead paint and leaded gasoline. Infants who rely on formula may receive more than eighty-five percent of their exposure to lead from drinking water. *Id.* at 26,470.

43. There is no safe level of lead in drinking water.

The Safe Drinking Water Act's approach to controlling lead in drinking water

44. The Safe Drinking Water Act (the Act), 42 U.S.C. § 300 *et seq.*, is the federal law that protects Americans from harmful contaminants in their drinking water.

45. To achieve this goal, the Act requires owners and operators of public water systems to test their water for specified contaminants, treat the water to control for those contaminants, and provide certain reports and notices to customers and regulators. *See, e.g.*, 42 U.S.C. § 300g-1; 40 C.F.R. §§ 141.22-.26, .31, .61-.66, .151, .201. Each of these steps is essential to reducing lead levels in tap water and informing the public about the health risks posed by their drinking water. *See* 42 U.S.C. § 300g-1(b)(1)(A).

46. The Act also requires public water systems to control for lead. The requirements for controlling lead in drinking water are set forth in regulations issued under the Act known as the Lead and Copper Rule (the Rule). 40 C.F.R. §§ 141.80-.91.

47. EPA is charged with issuing regulations to implement the Safe Drinking Water Act and enforcing the Act's requirements if states fail to do

so. 42 U.S.C. § 300g-2. Almost every state, including Michigan, has been delegated primary responsibility for ensuring that public water systems comply with the Act's requirements. The Michigan Department of Environmental Quality (MDEQ) is responsible for enforcing the Safe Drinking Water Act in Michigan. *See* Mich. Comp. Laws § 325.1003.

Corrosion control

48. EPA promulgated the Lead and Copper Rule in 1991. *See* 56 Fed. Reg. at 26,460. The Rule requires public water systems to treat drinking water to control the leaching of lead from pipes and solder. *See* 40 C.F.R. § 141.80(b), (d).

49. The Rule directed all large public water systems to identify and implement an "optimal" treatment program to reduce corrosion of lead pipes and solder by January 1, 1997. *Id.* § 141.81(d)(4). "[O]ptimal corrosion control treatment" is defined as the treatment that minimizes lead concentrations in consumers' tap water. *Id.* § 141.2. It often involves adding chemicals to the water to reduce its corrosivity and control its effect on leaded pipes and solder.

50. Certain treatment chemicals, such as phosphates, inhibit corrosion. They work by forming a protective coating inside of water pipes.

This protective coating develops over many years. The coating helps slow the corrosion of leaded pipes and solder, reducing the amount of lead that leaches into drinking water. When highly corrosive water that is not treated with an inhibitor flows through leaded water pipes, this protective coating is destroyed, increasing the amount of lead that enters into drinking water. Corrosive water can irreversibly damage water pipes.

51. Once a water system has optimized its corrosion control treatment program, it is required by the Rule to “continue to operate and maintain optimal corrosion control treatment.” 40 C.F.R. § 141.82(g).

Tap water monitoring

52. The Rule also requires water systems to conduct periodic monitoring for lead in household tap water. *Id.* § 141.86. Monitoring for lead at consumers’ taps is necessary to measure lead levels in drinking water. This is because lead can enter the water after it leaves the water system’s treatment plant, as it travels through pipes towards consumers’ homes.

53. The Rule’s tap water monitoring requirements are designed to test for lead under worst-case conditions, including by testing at homes that are most at risk for elevated lead levels. Homes are at high risk if they

contain lead plumbing or if they are served by lead service lines. 56 Fed. Reg. at 26,514; *see* 40 C.F.R. § 141.86(a). Service lines are pipes that connect household plumbing to the main water distribution pipe in the street. In older water distribution systems, such as the system in Flint, these service lines often are made of lead.

54. Monitoring at high-risk homes is critical to ensuring that elevated lead levels in drinking water are detected, because lead is not distributed uniformly throughout a water system. 56 Fed. Reg. at 26,514. Instead, lead pieces may break away from a lead service line and travel into a customer's home without dissolving and spreading evenly throughout the water in the distribution system. These lead pieces result in intermittent but large spikes in the water's lead levels. Even a single sample showing elevated levels of lead indicates that these dangerous lead pieces may be present more widely in the system.

55. Targeting high-risk homes thus makes it more likely that a water system will detect whether lead is breaking off or leaching from the Water System's pipes or solder. Such targeting also helps water systems and regulators determine whether a system has minimized lead levels in drinking water by operating an optimized corrosion control treatment

program. *Id.*

56. The Rule requires public water systems serving more than 100,000 people to collect a set of at least 100 tap water samples twice each year. 40 C.F.R. § 141.86(c), (d)(1). Water systems serving between 10,001 and 100,000 people must collect at least sixty tap water samples twice each year. *Id.* A water system has six months to collect each set of tap water samples. *Id.*

57. Each time a water system completes a six-month monitoring period, it must calculate whether more than ten percent of the samples collected have a lead concentration greater than 15 parts per billion (ppb). *See id.* §§ 141.80(c), .90(a)(1)(iv). EPA found that lead levels of 15 ppb or less were representative of effective corrosion control treatment. 56 Fed. Reg. at 26,490. EPA concluded that when more than ten percent of tap water samples collected by a water system exceed this 15 ppb threshold, known as the “lead action level,” additional treatment of drinking water would be “appropriate to protect public health.” *Id.* at 26,491.

58. If more than ten percent of samples collected during a monitoring period have a lead concentration in excess of the lead action level (15 ppb), the water system must take additional steps to protect its

customers from lead exposure. 40 C.F.R. §§ 141.84(a), .85-.86; 56 Fed. Reg. at 26,478. These steps include identifying and reporting to the state the number of lead service lines in the water system, 40 C.F.R. § 141.90(e); replacing a portion of the system's infrastructure with pipes and solder that are "lead free" as defined by the Safe Drinking Water Act, *id.* § 141.84; conducting additional monitoring of the system's source water to determine whether additional treatment is needed, *id.* §§ 141.83, .88(b); and conducting additional tap water monitoring, *id.* § 141.86(d)(4)(vi)(B).

59. As part of these additional steps, water systems must also offer to sample the tap water of any customer who requests it, *id.* § 141.85(c), and educate the public about the risks of lead and ways consumers can reduce their exposure to lead in drinking water, *id.* § 141.85(b).

60. A water system may reduce the number of tap water samples it collects and the frequency of its monitoring if it meets certain criteria for two consecutive monitoring periods. First, less than ten percent of tap water samples collected during each monitoring period may exceed the lead action level. *Id.* § 141.86(d)(4)(ii). Second, the water system must show that it is maintaining optimal corrosion control treatment. It can show this by maintaining prescribed values for certain water-quality indicators,

including pH and other measures of the water's corrosivity. *Id.*; *see id.* § 141.82(f).

61. If each of these conditions is met for two consecutive monitoring periods, a state may allow the water system to reduce its monitoring frequency to once per year, and may reduce the required number of samples. *Id.* § 141.86(d)(4)(ii). If the water system continues to meet these conditions for additional monitoring periods, the water system may become eligible to reduce its monitoring frequency further, to once every three years. *Id.* § 141.86(d)(4)(iii).

62. If, for any monitoring period, the water system exceeds the lead action level, or if water-quality monitoring shows problems with the system's corrosion control treatment, the water system must resume collecting a set of tap water samples every six months. *Id.* § 141.86(d)(4)(vi)(B).

63. The Lead and Copper Rule requires water systems to report detailed information about their tap water monitoring to the state enforcement agency. *Id.* § 141.90. Water systems must also notify customers of the individual results of tap water samples collected from their homes. *Id.* § 141.85(d)(1)-(2).

64. EPA promulgated the Lead and Copper Rule because it understood the harmful effects that lead-contaminated drinking water can have on citizens. *See* 56 Fed. Reg. at 26,463-66, 26,467-71. The Rule's requirements are intended to force public water systems to remain vigilant about the possible infiltration of lead into drinking water, and to take critical steps in the event of contamination. *See id.* at 26,481-82.

State control over Flint

65. In November 2011, pursuant to Michigan's Local Financial Stability and Choice Act, Governor Snyder declared a financial emergency in Flint and placed the City in a state-controlled receivership.

66. A receivership is a process whereby local government officials are stripped of authority in favor of state-appointed personnel. Those state appointees control the local government's finances and operations. *See* Mich. Comp. Laws §§ 141.1549(1)-(2), .1551(1), .1552. Among the purposes of the receivership is to "assure the provision of necessary government services essential to public health, safety, and welfare." *Id.* § 141.1543(a).

67. After placing the City into receivership, Governor Snyder appointed an Emergency Manager to govern all of the City's operations. *See id.* §§ 141.1542(q), .1549(2). Through this appointment, Governor Snyder

removed authority from Flint's elected Mayor and City Council. The Emergency Manager served at the pleasure of the Governor and could not be removed by Flint voters. *Id.* § 141.1549(3)(d).

68. From November 2011 to April 2015, Flint had four successive emergency managers. The emergency managers were vested with "broad powers" to address the City's financial emergency. These powers included the authority to revise the City's budget; make, approve, or disapprove any contract; supervise heads of city departments; and exercise the powers of "any officer, employee, [or] department . . . of the local government, whether elected or appointed." *Id.* §§ 141.1552(1)(b), (g), (n), (ee), .1549(2). The power of the emergency managers was "superior to and supersede[d]" that of the City's employees, departments, and elected officials. *Id.* § 141.1552(1)(ee).

69. In early 2015, the Emergency Manager hired Defendant Natasha Henderson as City Administrator. The Emergency Manager gave Defendant Henderson full authority to direct and supervise the day-to-day operations of the City, including directing the head of the Department of Public Works and managing the operations of the Water System. The Utilities Department is located within the Department of Public Works and

is responsible for the supply and maintenance of water services.

Defendant Henderson also must approve and cosign with the Mayor all contracts entered into, modified, or terminated by the City.

70. Since her appointment, Defendant Henderson has directed the operation of the Water System. For instance, she has managed the City's purchases of water meters, plumbing supplies, and chemicals to treat Flint River water at Flint's Water Treatment Plant. In March 2015, she decided that the City could hire a contractor to provide emergency leak detection services for the Water System, and allowed the City to accept a \$900,000 state grant to pay for water-leak surveys. In April 2015, Defendant Henderson decided that the City could enter into a contract with consultants to provide design, procurement, and construction services to the Water Treatment Plant to install a new filter system.

71. On April 28, 2015, the Emergency Manager informed Governor Snyder that Flint's financial emergency had been rectified. *See Mich. Comp. Laws* § 141.1562(1). Governor Snyder then removed the Emergency Manager and, in his place, appointed the Receivership Transition Advisory Board to manage the City's affairs alongside city officials for the duration of Flint's receivership. *See id.* § 141.1563(1). The Board's members now

include Defendants Frederick Headen, Michael A. Townsend, David McGhee, Michael A. Finney, and Beverly Walker-Griffiea.

72. The Board has had authority over the operations of the City since its creation last spring. It must approve all ordinances and resolutions adopted by the City Council before they take effect, and must approve purchases and contracts over \$75,000. The City Administrator advises and reports to the Board. She is required to submit regular reports to the Board regarding her activities and the overall operation of the City. Approval of the Board is also required before the Mayor or City Council can change the responsibilities of the City Administrator.

73. Since its formation, the Board has made a number of decisions directing the operation of the Water System. For example, in August 2015, the Board decided that the City could enter into a multi-year environmental monitoring services contract with a testing laboratory and decided to allow the City to purchase chemicals to be used to treat water at Flint's Water Treatment Plant. In October 2015, the Board decided whether the City could purchase water distribution pipe repair parts for use in maintaining the Water System.

74. The Board is the primary but not exclusive state entity that

manages the City's operations during the City's receivership. The State Treasurer, Defendant Nick A. Khouri, also manages aspects of the City's operations. For example, during the pendency of the City's receivership, orders by the Emergency Manager may be amended only by the Board, but the State Treasurer's approval is also required. Similarly, the Mayor and City Council cannot amend the budget that was adopted by the Emergency Manager without approval of both the Board and the State Treasurer.

75. The State Treasurer also exerts control over the Water System, including by having the final authority to decide whether the Water System can make large operational changes that involve budget amendments. For instance, on information and belief, in early 2014, the State Treasurer decided whether the City could expend more than \$3 million to upgrade its Water Treatment Plant to allow the City to use the Flint River as its primary drinking water source. The State Treasurer also exercised final decision-making power over the Water System's choices about where to get its drinking water.

76. Flint remains under the management of the Board and State Treasurer. The Mayor and City Council are stripped of all authority except as "specifically authorized in writing by the emergency manager" prior to

the elimination of his position last spring. Mich. Comp. Laws § 141.1549(2). The Mayor and City Council are powerless to change any decisions made by the Emergency Manager until one year after Governor Snyder terminates the City's receivership.

Changes in Flint's drinking water supply

77. Flint's Water System provides drinking water to nearly 100,000 people. The Water System includes the Flint Water Treatment Plant and more than 600 miles of water distribution pipes.

78. The Water System also has approximately 32,900 service line connections, points where household and building plumbing connect to main water distribution pipes. At least 15,000 of these connections are through lead service lines.

79. For decades prior to 2014, the Water System purchased pretreated or "finished" drinking water from the Detroit Water and Sewerage Department (Detroit), which draws water from Lake Huron.

80. "Finished" water is water that is ready to be delivered to customers for consumption without further treatment. *See* 40 C.F.R. § 141.2. The Water System received finished water from Detroit and distributed it through its pipes and service lines to customers. Detroit treated the water

with orthophosphate to reduce the amount of lead leaching from pipes and solder.

81. In March 2013, partially in response to rising water rates charged by Detroit, the City Council voted to join the Karegnondi Water Authority (KWA), a newly formed water supply system. The KWA plans to build a new pipeline to distribute Lake Huron water directly to mid-Michigan communities, including Flint. The KWA pipeline is scheduled for completion in June 2016.

82. The City Council's vote to join the KWA was not immediately effective because the City was in state receivership. Only the Emergency Manager and the State Treasurer had the power to authorize the City to enter into a contract to join the KWA. *See Mich. Comp. Laws* § 141.1552(1)(g), (3). The Emergency Manager authorized the KWA contract on March 29, 2013.

83. On April 16, 2013, after evaluating various options for the City's drinking water supply, the State Treasurer also authorized the KWA contract.

84. Although Detroit sought to avoid losing Flint as a customer, the Emergency Manager rejected Detroit's final offer to renegotiate rates.

Detroit then terminated its existing contract with Flint. Pursuant to the contract, the termination was scheduled to take effect a year later, in April 2014. This was at least eighteen months before the new KWA pipeline was expected to be ready.

85. Although Detroit offered to negotiate a short-term contract to supply drinking water to Flint during the interim period, the Emergency Manager declined Detroit's proposals.

86. In early 2014, the Emergency Manager and state officials decided that the Water System would use the Flint River as a primary drinking water source until the KWA pipeline was completed.

87. The Flint River suffers from significant water-quality problems. Industrial waste and agricultural runoff have contributed to excessive contamination. Fish in the River contain mercury, a potent neurotoxin, and polychlorinated biphenyls (PCBs), which are carcinogens. Swimming is not recommended in the River after rain due to elevated levels of bacteria.

88. Before switching to the Flint River as a water source, the Water System had not treated its own water on a regular basis for nearly fifty years. It had never undertaken the analysis required by the Safe Drinking Water Act to identify and understand how a water system optimizes

corrosion control treatment for drinking water. The Water Treatment Plant's staff had not previously been responsible for managing the treatment of water to control corrosion of lead pipes and solder.

89. In 2011, outside consultants for the City analyzed whether the Flint River could be used as the City's permanent primary source of drinking water. The consultants concluded that the Flint Water Treatment Plant would need about \$50 million in upgrades to equipment and systems to assure reliable delivery of safe drinking water to customers. Nonetheless, the Water System did not perform all of the recommended upgrades in advance of distributing Flint River water to customers' homes in 2014.

90. On April 29, 2014, the Water System began pumping Flint River water through the System's distribution pipes and into customers' taps.

91. The Water System did not treat the river water at all to reduce its corrosivity and minimize the leaching of lead from pipes and solder into customers' drinking water.

The effects on customers' drinking water

92. In the months following the Water System's switch to the Flint River, customers reported that their tap water was discolored, laden with

sediment, and foul-smelling. Customers also reported skin rashes, hair loss, and vomiting after drinking and/or bathing in the water.

93. In the summer of 2014, testing conducted by the Water System showed elevated levels of total coliform bacteria, bacteria found in soil and in human and animal waste, in Flint's drinking water. The City was forced to issue boil-water notices to some of its customers.

94. To control the high levels of total coliform bacteria, the Water System increased its use of disinfectants.

95. In December 2014, MDEQ notified the Water System that it was in violation of the Safe Drinking Water Act after high levels of total trihalomethanes – byproducts of disinfection – were detected in the water. Trihalomethanes can cause serious health problems, including an increased risk of cancer.

96. Despite these Safe Drinking Water Act violations, city and state officials continued to tell Flint residents that their water was safe to drink.

97. Because the Water System had begun using a new water source, MDEQ instructed the System to conduct lead tap water monitoring for two six-month periods, gathering one hundred samples per period. MDEQ had the authority to require one hundred samples, even though in

2014 Flint's population had fallen below 100,000 for the first time since the 1920s. *See* 40 C.F.R. §§ 141.81(b)(iii), .86(d)(vii). The Water System initiated the first six-month monitoring period in July 2014, and the second in January 2015.

98. To collect these samples, the Water System instructed customers to flush their taps for at least five minutes and then allow the water to sit for at least six hours before drawing the sample. This practice, known as "pre-flushing," is intended to minimize the amount of lead captured in the sample and results in an under-reporting of the concentration of lead in drinking water.

99. Even though the Water System engaged in practices that underestimate lead concentrations in drinking water, certain tap water samples still returned high levels of lead. In February 2015, at least one customer's water contained lead concentrations of more than 100 ppb, more than six times the lead action level of 15 ppb. Subsequent testing at the same home revealed lead levels of nearly 400 ppb. Medical records showed that the blood lead level of the customer's child had more than tripled since the Water System began using Flint River water.

100. That customer, concerned about the high levels of lead in her

water, contacted EPA. After learning of her test results, staff in EPA's regional office told MDEQ that the results raised significant concerns about the corrosion of lead pipes within the Water System. An EPA Regulations Manager later wrote a memo raising a "serious concern" about the high lead levels detected in the Water System's drinking water and the System's failure to use any treatment to mitigate lead leaching from pipes and solder. EPA shared the memo with MDEQ.

101. By February 26, 2015, the Water System, state officials, and EPA staff were all aware of sampling results showing high levels of lead in Flint's drinking water. No one notified Flint residents.

102. In March 2015, in response to growing complaints from the community, the City Council voted to do "all things necessary" to end the use of the Flint River as a water source. This vote had no effect, because the City remained under the control of state-appointed officials. The Emergency Manager refused to approve the City Council's vote, asserting that Flint's tap water was safe to drink and calling the elected officials' effort to return to Detroit water "incomprehensible."

103. In July 2015, the Water System sent a letter to its customers stating that their tap water was safe to drink and in compliance with all

Safe Drinking Water Act requirements. The Water System nonetheless advised elderly residents, infants, and those with a severely compromised immune system to consult their doctors before drinking the water.

104. During the next two months, in response to intensifying citizen concerns about lead in the City's drinking water, researchers from Virginia Polytechnic Institute and State University (Virginia Tech) collected more than 250 tap water samples from homes in Flint. More than ten percent of the samples collected contained lead at levels over 25 ppb, well above the Lead and Copper Rule's action level for lead of 15 ppb. *See* 40 C.F.R. § 141.80(c)(1). Some samples collected by the Virginia Tech researchers contained lead levels more than ten times greater than the lead action level.

105. In response to these findings, state officials asserted that Virginia Tech's sampling showed far higher lead levels than sampling conducted by the Water System. Those officials questioned the reliability of Virginia Tech's results, and insisted that the City's water contained lead levels within allowable limits.

106. On September 24, 2015, a Flint pediatrician released the findings of a study showing that the proportion of Flint children with elevated blood lead levels had doubled since the Water System began

using the Flint River as a drinking water source. State officials and Governor Snyder's office attempted to discredit the pediatrician's data, calling her work "unfortunate" in a time of "near-hysteria." MDEQ continued to insist that Flint's water was safe to drink.

107. The following day, the City of Flint issued a Lead Advisory suggesting that residents flush their taps for at least five minutes prior to drinking the water; use only cold water for drinking, cooking, and making baby formula; and install water filters certified for lead removal. The Lead Advisory did not tell residents that Flint's water was unsafe to drink.

108. The Board of Commissioners in Genesee County, where Flint is located, issued a Public Health Advisory a few days later, also urging Flint residents to use filters certified to remove lead before drinking tap water, or to drink bottled water.

109. On September 30, 2015, Governor Snyder for the first time acknowledged that the City's water supply "appears" to have increased lead levels.

110. The Genesee County Board of Commissioners declared a Public Health Emergency in Flint on October 1, 2015. It advised Flint residents not to drink water from the Water System unless it had been run through a

filter certified to remove lead or tested to confirm the water does not contain elevated lead levels.

111. That same day, Plaintiffs submitted a petition to EPA asking it to issue an emergency order pursuant to its authority under the Safe Drinking Water Act. *See* 42 U.S.C. § 300i(a). Plaintiffs asked EPA to take immediate action to address the danger to Flint residents from lead in their water. EPA did not act.

112. In early October, tap water sampling conducted by MDEQ showed that three Flint schools had tap water with lead levels that exceeded the action level. Subsequent testing confirmed elevated lead levels in drinking water at seven of Flint's schools.

113. In mid-October, following a request from the City Administrator, the Board decided that the City could amend its budget to allow the Water System to return to Detroit's water supply. The same day, the Board also decided that the City Administrator could enter into agreements with Detroit and other local entities to execute the switch back to Detroit's water.

114. On information and belief, the State Treasurer then approved the budget appropriation for Flint to return to Detroit's water supply.

115. On October 16, 2015, the Water System resumed using Detroit's pretreated Lake Huron water as its drinking water.

116. After Flint's return to Detroit water, the water in Flint did not become safe to drink. The Water System's extended failure to treat the Flint River water with phosphates—combined with the highly corrosive nature of the water—had stripped the protective coating from the inside of the Water System's pipes and service lines. As this coating had taken years to build up, the damage to the Water System's infrastructure cannot be reversed right away, if ever, even though the System is again receiving water from Detroit pretreated with corrosion-inhibiting chemicals. This damage is allowing lead to continue to leach into Flint's drinking water.

117. In early December 2015, the Water System began supplementing Detroit's water treatment by adding more phosphates to further reduce the corrosivity of the water and control for the corrosion of lead pipes and solder.

118. Two weeks later, on December 14, 2015, Flint Mayor Karen Weaver declared a State of Emergency in Flint.

119. On January 5, 2016, Governor Snyder declared a State of Emergency in Genesee County. The next week, Governor Snyder activated

the National Guard and requested help from the federal government to address the lead-contamination crisis.

120. Days later, President Obama declared a federal emergency in Flint, authorizing the Federal Emergency Management Agency to provide disaster relief.

121. On January 21, 2016, EPA issued an Emergency Administrative Order declaring that the lead contamination in Flint posed an imminent and substantial endangerment to human health, and directing the City, the State of Michigan, and MDEQ to take certain remedial measures. EPA's action came nearly a year after it was first made aware of sampling results showing high levels of lead in Flint's drinking water, and nearly four months after Plaintiffs submitted a petition to the agency asking it to act under its emergency authority. While the City has stated it will comply with EPA's order, Michigan and MDEQ have challenged EPA's legal authority to require some of the actions that EPA demands.

122. Despite awareness at the local, state, and federal levels of the lead-contamination crisis in Flint, tap water distributed from the Water System remains unsafe to drink.

The Water System is failing to maintain optimal corrosion control treatment

123. The Water System is no longer “operat[ing] and maintain[ing] optimal corrosion control treatment” as required by the Lead and Copper Rule. 40 C.F.R. § 141.82(g).

124. Prior to the Water System’s switch to the Flint River as a drinking water source, Detroit treated water delivered to Flint’s customers to control the leaching of lead from pipes and solder.

125. In the early 1990s, Detroit conducted a multi-year study to determine the optimal approach to controlling lead in its system’s drinking water. The study evaluated water-quality data and information about the system’s pipe materials; identified and analyzed feasible treatment methods to control corrosion; and designed and pilot-tested the treatment alternatives. Detroit determined that its water should be treated with orthophosphate to optimize corrosion control, and, with MDEQ’s approval, began implementing that treatment. The Water System coordinated with Detroit to ensure the System’s compliance with the Lead and Copper Rule’s requirement to implement an optimal corrosion control treatment program. The Water System relied on Detroit to treat the water with

orthophosphate before delivering the finished water to Flint. On information and belief, through Detroit's orthophosphate treatment, the Water System was able to minimize the amount of lead leaching from pipes and solder.

126. By coordinating with Detroit, the Water System optimized its corrosion control treatment program as of January 1999. The Water System's cooperation with Detroit did not exempt it from the Lead and Copper Rule's requirements, including the requirement to maintain optimal corrosion control treatment. *See* 56 Fed. Reg. at 26,497-98.

127. From April 29, 2014, when the Water System began distributing Flint River water, through at least October 16, 2015, the Water System failed to maintain optimal corrosion control treatment because it did not treat the river water with corrosion-inhibiting chemicals or any other form of treatment to minimize the amount of lead leaching from the System's pipes and solder.

128. Flint River water is highly corrosive. It is significantly more corrosive than water from Lake Huron. Because Flint River water is highly corrosive, the Water System's use of the river water without treatment to control corrosion destroyed the protective coating that had built up inside

the System's pipes and solder. The absence of this protective coating caused dangerous amounts of lead to enter Flint's drinking water.

129. Since October 16, 2015, when the Water System resumed distributing water from Detroit, the Water System has failed to maintain optimal corrosion control treatment because it has not minimized the concentration of lead at customers' taps. 40 C.F.R. § 141.2.

130. The corrosivity of the river water damaged the Water System's infrastructure, including by destroying the protective coating that had formed inside the System's water pipes over many years. As a result of this damage, the Water System is not currently maintaining optimal corrosion control treatment. On information and belief, because of this damage to the Water System's infrastructure, additional chemical treatment of Detroit's pretreated water is necessary to implement an optimal corrosion control treatment program.

131. On information and belief, the Water System's failure to treat the river water to control corrosion has caused and continues to cause dangerous levels of lead to enter customers' tap water.

132. The Water System plans to switch water sources again in summer of 2016. The Water System will use Lake Huron water distributed

through the KWA pipeline as its new water source.

133. After this switch, the Water System will be required to treat the Lake Huron water to control for the corrosion of lead pipes and solder.

134. On information and belief, the Water System has not gathered or analyzed background water chemistry information about the new KWA water source; has not evaluated corrosion control treatment options for the new KWA water source; has not conducted pilot-scale tests using lead pipes extracted from the System to determine the effectiveness of different corrosion control treatment alternatives; and has not procured the specialized equipment or developed the equipment operating skills necessary to maintain an optimal corrosion control treatment program.

135. On information and belief, the Water System's failure to maintain optimal corrosion control treatment is likely to continue until the System switches to the new KWA water source, and is likely to continue or recur when the System switches to the new KWA water source.

The Water System is failing to comply with the Lead and Copper Rule's monitoring requirements

136. The Water System is not monitoring for lead contamination in accordance with the Lead and Copper Rule. As a result, the Water System

cannot promptly or reliably detect elevated lead levels in its drinking water.

Sampling site selection

137. Before a water system begins monitoring for lead at household taps, it must identify a pool of targeted sampling sites. 40 C.F.R.

§ 141.86(a)(1). The sampling pool must target homes that have a high risk of lead contamination. *See id.* § 141.86(a)(3)-(8). For water systems like Flint's that regularly serve more than twenty-five people, this means that the sampling pool must, if possible, consist of single-family homes that are served by a lead service line and/or contain lead pipes or copper pipes with lead solder installed after 1982. *Id.* § 141.86(a)(3).

138. The pool must also be large enough to ensure that the water system can collect the required number of samples during each monitoring period. *Id.* § 141.86(a)(1).

139. During each monitoring period, a water system must collect the minimum required number of samples from homes that are part of the system's sampling pool. *Id.*

140. A water system that contains lead service lines must also collect half of its samples from homes served by a lead service line, and half from

homes that contain lead pipes or copper pipes with lead solder. *Id.*

§ 141.86(a)(8). If a water system cannot identify a sufficient number of homes served by lead service lines, then it must collect samples from all homes it has identified as being served by lead service lines. *Id.*

141. In addition to the tap water samples collected from the water system's targeted sampling pool, the system may collect more samples from homes not included in its pool at a customer's request. Those customer-requested samples do not count towards the system's minimum number of required samples under the Rule. *See id.* § 141.86(a)(1), (c). Customer-requested samples generally must, however, be included when the water system calculates whether more than ten percent of its total collected samples exceed the lead action level of 15 ppb.

142. After the Water System began using the Flint River as a water source, it collected household tap water samples during two six-month monitoring periods, between July and December 2014 and between January and June 2015. The Water System serves a sufficient number of single-family homes with a lead service line or lead pipes that its sampling pool must consist entirely of such homes.

143. During its July–December 2014 and January–June 2015

monitoring periods, the Water System requested that city employees volunteer to submit tap water samples, without regard to whether those employees lived in homes served by a lead service line or containing lead pipes.

144. At least six city employees submitted tap water samples during the City's January-June 2015 monitoring period. On information and belief, the Water System included these samples as part of its monitoring for lead without verifying or even inquiring whether these samples came from homes that are served by a lead service line or contain lead pipes.

145. The City's Utilities Administrator, Michael Glasgow, has stated that the Water System "throw[s] bottles out everywhere" to collect the required number of tap water samples, without regard to whether the homes from which samples are collected are served by a lead service line or contain lead pipes.

146. From July 2014 to the present, the Water System has not targeted and is not targeting homes at high risk of contamination when monitoring for lead.

147. Prior to the July-December 2014 monitoring period, the Water System did not identify a pool of targeted sampling sites large enough to

ensure that it could collect the number of tap water samples required by the Lead and Copper Rule. The Water System also failed to identify a targeted pool prior to the beginning of the January-June 2015 monitoring period.

148. The Water System did not select all of the sampled homes from an existing sampling pool during either monitoring period.

149. The Water System does not have comprehensive, reliable information identifying the locations of its more than 15,000 lead service lines. On information and belief, the Water System has not consistently used and does not consistently use the records it may have concerning the locations of lead service lines to confirm that its samples are collected from homes with lead service lines.

150. On information and belief, for monitoring conducted from July 2014 through the present, the Water System has not ensured or verified and is not ensuring or verifying that half of its samples are collected from homes served by a lead service line, and that half of its samples are collected from homes that have lead pipes or copper pipes with lead solder. Because of its lack of knowledge of where its lead service lines are located, the Water System cannot reliably ensure that during each

monitoring period, it collects at least half of its samples from homes served by a lead service line.

151. On information and belief, the Water System has yet to identify a pool of targeted tap water sampling sites that meet the high-risk criteria set forth in the Lead and Copper Rule and is large enough to ensure that the System can collect the required number of tap water samples during future monitoring periods.

152. On information and belief, the Water System will continue to monitor for lead in household tap water without using an existing, sampling pool of high-risk sites to select the homes from which it collects samples.

Sampling sites across monitoring periods

153. During each monitoring period, the Lead and Copper Rule requires water systems to collect samples from the same homes. 40 C.F.R. § 141.86(b)(4). If the water system cannot gain entry into a previously sampled home, or if a previously sampled home no longer fits the Rule's high-risk criteria, then the system may collect a sample from another home in its sampling pool. *Id.* The home selected as a replacement sampling site must be located near the previously sampled home and meet the same

high-risk criteria. *Id.*

154. For the January–June 2015 monitoring period, the Water System collected tap water samples from only thirteen of the one hundred homes used during the previous six-month monitoring period. Each of these thirteen sampling sites had lead levels below the lead action level during the previous monitoring period.

155. On information and belief, during the January–June 2015 monitoring period, for any homes sampled during the previous monitoring period into which the Water System could no longer gain entry or that no longer met the Rule’s high-risk criteria, the System did not collect tap water samples from other homes selected from an existing sampling pool that were located nearby and met the same high-risk criteria.

156. On information and belief, the Water System is failing and/or will continue to fail to collect tap water samples at the same homes from which it collected samples during previous monitoring periods. The Water System is also failing and/or will continue to fail to replace homes in its sampling pool when necessary with homes that are nearby and meet the same high-risk criteria.

The Water System is failing to comply with the Lead and Copper Rule's reporting requirements

157. The Lead and Copper Rule requires water systems to report to state regulators all tap water sampling results for lead, including the location or "site" where each sample was collected. 40 C.F.R.

§ 141.90(a)(1)(i). For each sampling site, the water system must also report the basis on which the site was selected for the system's sampling pool, including whether the site is served by a lead service line or contains lead pipes. *Id.*; *see id.* § 141.86(a)(3)(i)-(ii).

158. If a water system does not collect tap water samples from the same sites across monitoring periods, the water system must mark or "designate" each site that was not sampled during the previous monitoring period, and explain why the sampling site changed. *Id.* § 141.90(a)(1)(v).

159. These requirements ensure that the water system is sampling in high-risk homes, and prevent the system from purposely avoiding sampling sites that have yielded high lead results in past monitoring periods.

160. The Water System is not accurately reporting to MDEQ whether its sampling sites are served by lead services lines or contain lead

pipes. For at least six tap water samples collected between July 1, 2014, and June 30, 2015, the Water System falsely reported to MDEQ that the sites were served by lead service lines, when in fact they were not.

161. On information and belief, the Water System does not have accurate information to identify whether its sampling sites are served by lead service lines or contain lead pipes. The Water System is likely to continue to fail to accurately report whether its sampling sites are served by lead service lines or contain lead pipes.

162. The Water System also is not reporting required information to MDEQ when the System fails to sample the same sites across monitoring periods.

163. For both the July–December 2014 and January–June 2015 monitoring periods, the Water System did not use the same sampling sites as in the previous monitoring periods. The Water System did not designate for MDEQ each new sampling site from which it collected a tap water sample during these monitoring periods. The Water System did not adequately explain – and in some cases, did not explain at all – the changes in its sampling sites from one monitoring period to the next.

164. The Water System is likely to continue its practice of not

designating each new sampling site from which it collects a tap water sample. The Water System is also likely to continue its practice of failing to explain changes in its sampling sites from previous monitoring periods.

The Water System is failing to comply with the Lead and Copper Rule's notification requirements

165. The Lead and Copper Rule requires water systems to notify the individuals residing at each sampling site of their tap water sampling results for lead. 40 C.F.R. § 141.85(d)(1). A water system must provide this notice "no later than 30 days after the system learns of the tap monitoring results." *Id.* § 141.85(d)(2).

166. On information and belief, for monitoring conducted from July 1, 2014, through June 30, 2015, the Water System failed to notify individuals residing at each sampling site of their tap water sampling results for lead within thirty days after the System learned of the results.

167. On information and belief, for monitoring conducted from July 1, 2015, through the present, the Water System is continuing to fail to notify individuals residing at each sampling site of their tap water sampling results for lead within thirty days after the System learns of the results.

FIRST CLAIM FOR RELIEF
(Violations of the Safe Drinking Water Act's requirement to operate and maintain optimal corrosion control treatment, 40 C.F.R. §§ 141.81-.82)

168. Plaintiffs incorporate by reference all of the preceding paragraphs.

169. Since April 2014, Defendants have violated and continue to violate the Safe Drinking Water Act and its implementing regulations by failing to operate and maintain optimal corrosion control treatment. 40 C.F.R. § 141.82(g).

SECOND CLAIM FOR RELIEF
(Violations of the Safe Drinking Water Act's requirements for monitoring tap water for lead, 40 C.F.R. § 141.86)

170. Plaintiffs incorporate by reference all of the preceding paragraphs.

171. Since April 2014, Defendants have violated and continue to violate the Safe Drinking Water Act and its implementing regulations by failing to comply with the Act's requirements to monitor household tap water for lead, including:

- a. the requirement to identify a pool of targeted sampling sites prior to monitoring, 40 C.F.R. § 141.86(a)(1);

- b. the requirement to select homes for sampling from an existing sampling pool, *id.*;
- c. during each monitoring period, the requirement to collect half of the samples from homes served by a lead service line and half of the samples from homes containing lead pipes or copper pipes with lead solder, *id.* § 141.86(a)(8); and
- d. the requirement to collect samples from the same homes or replacement homes that meet the Rule's criteria across monitoring periods, *id.* § 141.86(b)(4).

THIRD CLAIM FOR RELIEF
(Violations of the Safe Drinking Water Act's reporting requirements, 40 C.F.R. § 141.90)

172. Plaintiffs incorporate by reference all of the preceding paragraphs.

173. Since April 2014, Defendants have violated and continue to violate the Safe Drinking Water Act and its implementing regulations by failing to comply with the reporting requirements for monitoring household tap water for lead, including:

- a. the requirement to report the results of all tap water samples, including the location of each sampled home and the high-risk

criteria under which the home was chosen for the water system's sampling pool, 40 C.F.R. § 141.90(a)(1)(i); and

- b. the requirement to designate any home that was not sampled during the previous monitoring periods and explain why the homes sampled have changed, *id.* § 141.90(a)(1)(v).

**FOURTH CLAIM FOR RELIEF
(Violations of the Safe Drinking Water Act's notification requirements, 40 C.F.R. § 141.85)**

174. Plaintiffs incorporate by reference all of the preceding paragraphs.

175. Since April 2014, Defendants have violated and continue to violate the Safe Drinking Water Act and its implementing regulations by failing to comply with the requirement that water systems notify customers of the individual results of tap water samples collected and tested for lead within thirty days after the water system receives the results. 40 C.F.R. § 141.85(d)(1), (d)(2).

REQUEST FOR RELIEF

Plaintiffs respectfully request that this Court enter judgment against Defendants as follows:

- A. Declaring that all Defendants are in violation of their

obligations under the Safe Drinking Water Act and its implementing regulations;

B. Enjoining all Defendants from ongoing and future violations of the Safe Drinking Water Act and its implementing regulations, including but not limited to the treatment, monitoring, reporting, and notification requirements of the Lead and Copper Rule;

C. Ordering that Defendants take all such actions as may be necessary, and all such actions as the Court may deem appropriate, to remedy these violations, comply with the Safe Drinking Water Act and its implementing regulations, and mitigate the harm caused by Defendants' violations of the Lead and Copper Rule's treatment, monitoring, reporting, and notification requirements.

D. Ordering that Defendants promptly complete full replacement of all lead service lines in the Water System at no cost to customers of the Water System, including replacement of those portions of the lead service lines that are privately owned, to the extent the Water System is able to obtain permission from the owner of the line after notifying the owner and offering to replace the owner's portion of the line at the Water System's expense;

E. Granting appropriate equitable relief to mitigate the health and medical risks and harm resulting from Defendants' violations;

F. Awarding Plaintiffs their reasonable costs and attorneys' fees; and

G. Granting such other and further relief as the Court deems just and proper.

Dated: January 27, 2016

Respectfully submitted,

/s/Dimple Chaudhary
Dimple Chaudhary
Natural Resources Defense Council
1152 15th Street, NW, Suite 300
Washington, DC 20005
(202) 289-2385
dchaudhary@nrdc.org

Sarah C. Tallman
Natural Resources Defense Council
20 North Wacker Drive, Suite 1600
Chicago, IL 60606
(312) 651-7918
stallman@nrdc.org

*Counsel for Concerned Pastors for
Social Action, Melissa Mays, and
Natural Resources Defense Council,
Inc.*

/s/Michael J. Steinberg
Michael J. Steinberg (P43085)
Brooke A. Tucker (P79136)
American Civil Liberties Union
Fund of Michigan
2966 Woodward Avenue
Detroit, MI 48201
(313) 578-6814
msteinberg@aclumich.org
btucker@aclumich.org

*Counsel for American Civil Liberties
Union of Michigan*

Of counsel:

Anjali Waikar

Evan Feinauer

Natural Resources Defense Council

20 North Wacker Drive, Suite 1600

Chicago, IL 60606

(312) 651-7938

awaikar@nrdc.org

efeinauer@nrdc.org

*Counsel for Concerned Pastors for
Social Action, Melissa Mays, and
Natural Resources Defense Council,
Inc.*

Glenn M. Simmington (P33626)

Law Office of Glenn M.

Simmington, PLLC

Mott Foundation Building

503 South Saginaw Street, Suite

1000

Flint, MI 48502

(810) 600-4211

gsimmington@gmail.com

Counsel for Plaintiff Melissa Mays

EXHIBIT A

to January 27, 2016 Complaint for Declaratory and Injunctive Relief

November 16, 2015

By Certified Mail, Return Receipt Requested

City of Flint
Attn: Mayor Karen Williams Weaver
1101 South Saginaw Street
Flint, MI 48502
mayor@cityofflint.com

Governor Rick Snyder
P.O. Box 30013
Lansing, MI 48909
contactmichigan@state.mi.us

Director Dan Wyant
Michigan Department of Environmental
Quality
Constitution Hall
525 West Allegan Street
P.O. Box 30473
Lansing, MI 48909-7973
WyantD@michigan.gov

Treasurer Nick A. Khouri
Michigan Department of Treasury
Richard H. Austin Building
430 West Allegan Street
Lansing, MI 48922
KhouriN@michigan.gov

RTAB Chairperson Frederick Headen
Flint City Hall
1101 South Saginaw Street
Flint, MI 48502
HeadenF@michigan.gov

RTAB Member Brian Larkin
Flint City Hall
1101 South Saginaw Street
Flint, MI 48502
blarkin@flintandgenessee.org

RTAB Member David McGhee
Flint City Hall
1101 South Saginaw Street
Flint, MI 48502
drmcghee@skillman.org

RTAB Member Robert McMahan
Flint City Hall
1101 South Saginaw Street
Flint, MI 48502
president@kettering.edu

RTAB Member Beverly Walker-Griffea
Flint City Hall
1101 South Saginaw Street
Flint, MI 48502
b.walkergriffea@mcc.edu

City Administrator Natasha Henderson
Flint City Hall
1101 South Saginaw Street
Flint, MI 48502
nhenderson@cityofflint.com

**Re: Notice of Intent to Sue Under the Safe Drinking Water Act, 42 U.S.C.
§ 300j-8(b)(1)(a), for Failure to Control Lead in Drinking Water in Flint,
Michigan, and Failure to Assist Michigan Schools with Lead Testing and
Remediation**

We write on behalf of Concerned Pastors for Social Action, Melissa Mays, the
American Civil Liberties Union of Michigan (ACLU of Michigan), and the Natural

November 16, 2015

Page 2 of 16

Resources Defense Council (NRDC), nonprofit citizens' organizations and individuals working to secure safe drinking water for the residents of Flint, Michigan. Since April 2014, the City of Flint and Michigan state officials have failed to monitor and control for lead in Flint's drinking water, and to maintain a program to assist Michigan schools with lead testing and remediation, in violation of the Safe Drinking Water Act, 42 U.S.C. § 300f et seq. This letter provides notice pursuant to 42 U.S.C. § 300j-8(b)(1)(a) that we intend to sue the City of Flint; Rick Snyder, Governor of Michigan; Dan Wyant, Director of Michigan Department of Environmental Quality; Nick A. Khouri, Treasurer of Michigan; Frederick Headen, Chairperson of the Flint Receivership Transition Advisory Board (Board); Brian Larkin, David McGhee, Robert McMahan, and Beverly Walker-Griffiea, Members, RTAB; and Natasha Henderson, Flint City Administrator, if these violations are not remedied within sixty days.¹

Concerned Pastors for Social Action is an association of religious leaders from more than thirty churches and ministries in the Flint area that has advocated for the rights of the underserved for nearly fifty years. Melissa Mays is a Flint resident whose family has suffered from serious health problems as a result of the City's failure to provide safe drinking water. The ACLU of Michigan works in courts, legislatures, and communities to preserve the protections that our laws guarantee to all citizens. NRDC is a national membership organization committed to protecting public health and the environment and to reducing the exposure of all communities to toxic chemicals. These groups and individuals continue to be harmed by the violations of the Safe Drinking Water Act by the City and Michigan state officials, detailed below.

I. City and State officials have exposed and continue to expose Flint residents to dangerous amounts of lead in drinking water

A. The City, Emergency Manager, and State Treasurer chose the Flint River as a primary drinking-water source

In the fall of 2011, Michigan Governor Rick Snyder declared a financial emergency in the City of Flint and appointed an emergency manager to take control of the City's operations and finances.² Flint Mayor Dayne Walling and the City Council were stripped of all authority except as specifically allowed by the Emergency Manager, and the City was placed in state receivership.³ Under Michigan's Local Financial Stability and Choice Act, an

¹ These individuals are noticed in their official capacities.

² See Mich. Comp. Laws § 141.1549; Letter from Gov. Rick Snyder to Mayor Dayne Walling and Flint City Council (Nov. 8, 2011), http://www.michigan.gov/documents/treasury/Flint-GovernorsDetermination-11-8-11_417435_7.pdf (attached as Ex. 1); Dawson Bell, *Governor names Flint native as city's emergency financial manager*, Detroit Free Press, Nov. 30, 2011, <http://www.freep.com/article/20111130/NEWS06/111300370/Governor-names-Flint-native-city-s-emergency-financial-manager> (attached as Ex. 2).

³ Mich. Comp. Laws § 141.1549(2).

November 16, 2015

Page 3 of 16

Emergency Manager has “broad powers” to “rectify the financial emergency and to assure fiscal accountability of the local government.”⁴

While under control of the Emergency Manager, the City faced decisions about the future of its drinking-water supply. For fifty years, the City had purchased drinking water from the Detroit Water and Sewerage Department (Detroit), which sources water from Lake Huron.⁵ In response to rising water rates charged by Detroit, in March 2013, the City Council voted to join the Karegnondi Water Authority (KWA), a newly formed municipal water supply system. The KWA was planning to build a pipeline to distribute water directly from Lake Huron to mid-Michigan communities, including Genesee County, where Flint is located.⁶ The City Council’s vote did not become effective until several weeks later, after both the Emergency Manager and State Treasurer approved the decision.⁷

The City’s contract with Detroit was set to expire in April 2014, at least eighteen months before the KWA pipeline was scheduled to be completed.⁸ Faced with a year-and-a-half gap in the City’s water supply, the Emergency Manager declined to negotiate a short-term contract with Detroit and decided instead to use the Flint River as a primary drinking-water source.⁹ The City had previously explored—and rejected—the Flint River as a primary drinking-water source. This is because the Flint Water Treatment Plant would have required fifty million dollars in upgrades to treat the river water and “produce finished water in conformance with the current federal and state drinking water regulations.”¹⁰

⁴ *Id.*

⁵ See Dominic Adams, *Closing the valve on history: Flint cuts water flow from Detroit after nearly 50 years*, Michigan Live, Apr. 25, 2014, http://www.mlive.com/news/flint/index.ssf/2014/04/closing_the_valve_on_history_f.html (attached as Ex. 3).

⁶ Steve Carmody, *Flint opting to get its future tap water from Lake Huron*, Michigan Radio, Mar. 25, 2013, <http://michiganradio.org/post/flint-opting-get-its-future-tap-water-lake-huron#stream/> (attached as Ex. 4); Karegnondi Water Authority, About, <http://www.karegnondi.com/#!about/c20r9> (last visited Nov. 13, 2015) (attached as Ex. 5).

⁷ See Mich. Comp. Laws § 141.1552(1)(g), (3); Emergency Manager, Resolution to Purchase Capacity from Karegnondi Water Authority (adopted Mar. 29, 2013) (attached as Ex. 6); Letter from Andy Dillon, State Treasurer, to Edward Kurtz, Emergency Manager (Apr. 11, 2013) (authorizing Emergency Manager to enter into contract with KWA) (attached as Ex. 7).

⁸ Sarah Schuch, *KWA pipeline work continues as Flint water lead concerns rise*, Michigan Live, Sept. 25, 2015, http://www.mlive.com/news/flint/index.ssf/2015/09/kwa_pipeline_projected_to_be_c.html (attached as Ex. 8); see Ron Fonger, *Detroit gives notice: It’s terminating water contract covering Flint, Genesee County in one year*, Michigan Live, Apr. 19, 2013, http://www.mlive.com/news/flint/index.ssf/2013/04/detroit_gives_notice_its_termi.html (attached as Ex. 9).

⁹ Letter from Darnell Earley, Emergency Manager, to Sue McCormick, Detroit Water & Sewer Dep’t (Mar. 7, 2014) (explaining that the City “has actively pursued using the Flint River as a temporary water source” instead of accepting Detroit’s offer to provide water to the City) (attached as Ex. 10).

¹⁰ Cost of Service Study (2011), Appendix 8 to Analysis of the Flint River as a Permanent Water Supply for the City of Flint, <http://www.scribd.com/doc/64382181/Analysis-of-the-Flint-River-as-a-Permanent-Water-Supply-for-the-City-of-Flint-July-2011-Appendices-1-to-8> (attached as Ex. 11);

November 16, 2015
Page 4 of 16

Under the Safe Drinking Water Act's Lead and Copper Rule, Flint's water system could not use the Flint River as a water source without first obtaining approval from the Michigan Department of Environmental Quality (MDEQ). The Lead and Copper Rule required MDEQ to approve both the City's proposed addition of a new water source (the Flint River) and the long-term change in water treatment (from treatment through Detroit's water plant to treatment at the Flint Water Treatment Plant).¹¹ In April 2014, MDEQ approved the switch to river water.¹² The City immediately began pumping Flint River water through the City's distribution pipes and into residents' taps.

B. Dangerous lead contamination results from the City's switch to river water

In the twenty months following the switch in water sources, residents' drinking water has been at times cloudy, discolored, and foul-smelling.¹³ Residents reported that they have experienced hair loss, skin rashes, and vomiting after drinking the water.¹⁴ In the summer of 2014, the City was forced to issue several boil-water notices after tap water tested positive for total coliform bacteria.¹⁵ The City's subsequent treatment of the water to kill disease-carrying pathogens resulted in elevated levels of total trihalomethanes, a disinfection byproduct that can cause serious health problems, including an increased risk of cancer.¹⁶

see also Kristin Longley, *Water pipeline v. Flint River: City of Flint studying its drinking water options*, Michigan Live, Jan. 22, 2011, http://www.mlive.com/news/flint/index.ssf/2011/01/water_pipeline_vs_flint_river.html (attached as Ex. 12); Dominic Adams, *Flint River now an option for drinking water following Detroit's termination of contract*, Michigan Live, July 23, 2013, http://www.mlive.com/news/flint/index.ssf/2013/07/city_readying_water_plant_to_t.html (quoting city officials' explanation for rejecting use of Flint River: "upgrades to Flint's water plant would be too expensive, the river didn't provide enough capacity to serve Flint residents' water needs and the Michigan Department of Environmental Quality would not allow it") (attached as Ex. 13).

¹¹ 40 C.F.R. § 141.90(a)(3); see also *id.* § 141.81(a)-(b).

¹² See Adams, *Closing the valve on history*, *supra* note 5 (Ex. 3).

¹³ See Curt Guyette, *In Flint, Michigan, Overpriced Water is Causing People's Skin to Erupt in Rashes and Hair to Fall Out*, The Nation, July 16, 2015, <http://www.thenation.com/article/in-flint-michigan-overpriced-water-is-causing-peoples-skin-to-erupt-and-hair-to-fall-out/> (attached as Ex. 14); Wenonah Hauter, *Flint's Brown Water Blues*, Huffington Post, July 10, 2015, http://www.huffingtonpost.com/wenonah-hauter/flints-brown-water-blues_b_7765132.html (attached as Ex. 15).

¹⁴ Laura Gottesdiener, *Flint, Mich., residents find state water control hard to swallow*, Al Jazeera America, Apr. 3, 2015, <http://america.aljazeera.com/articles/2015/4/3/flint-residents-find-state-water-control-hard-to-swallow.html> (attached as Ex. 16).

¹⁵ Ron Fonger, *Flint issues boil water advisory for section of the city after positive test result for total coliform bacteria*, Michigan Live, Sept. 5, 2014, http://www.mlive.com/news/flint/index.ssf/2014/09/flint_issues_boil_water_advisory.html (attached as Ex. 17).

¹⁶ Robin Erb, *Who wants to drink Flint's water?*, Detroit Free Press, Jan. 23, 2015, <http://www.freep.com/story/news/local/michigan/2015/01/22/water-woes-latest-hit-flint/22193291/> (attached as Ex. 18); Mich. Dep't of Env'tl. Quality, Violation Notice—Maximum Contaminant Level for Total Trihalomethanes (Dec. 16, 2014) (attached as Ex. 19); U.S. EPA, Basic Information about Disinfection Byproducts in Drinking Water, <http://water.epa.gov/drink/contaminants/basicinform>

November 16, 2015
Page 5 of 16

Because Flint River water is also highly corrosive, dangerous amounts of lead began to leach out of pipes and into the City's drinking water.¹⁷ Lead in drinking water occurs primarily from corrosion of pipes and other plumbing materials that contain lead or lead solder.¹⁸ The Lead and Copper Rule requires water systems to manage lead levels by controlling corrosion, which is often accomplished by adding corrosion-inhibiting chemicals.¹⁹ Water systems must implement and maintain an "optimal" corrosion-control treatment program that "minimizes the lead . . . concentrations at users' taps."²⁰

Flint did not consider how to control the corrosivity of the river water before switching water sources, nor did MDEQ require the City to implement any corrosion-control measures. Rather, beginning in April 2014, the City did not use any form of treatment to control corrosion.²¹ The City waited until after its residents were drinking the river water to assess whether it posed a risk of increased lead exposure. MDEQ endorsed this approach. In June 2014, Flint's water system initiated the first of two six-month monitoring periods to test tap water for lead under the Lead and Copper Rule; the second six-month period ran from January to June 2015.²² During these monitoring periods, the water system used flawed testing methods that appear to have been designed to underreport the lead content of residents' drinking water.²³

ation/disinfectionbyproducts.cfm (last updated Dec. 13, 2013) (attached as Ex. 20); *see also* 40 C.F.R. § 141.64(b).

¹⁷ Marc Edwards, *Test Update: Flint River water 19X more corrosive than Detroit water for Lead Solder; Now What?*, Flint Water Study (Sept. 11, 2015), <http://flintwaterstudy.org/2015/09/test-update-flint-river-water-19x-more-corrosive-than-detroit-water-for-lead-solder-now-what/> (attached as Ex. 21); Marc Edwards, *Flint River water is very corrosive to lead, and causing lead contamination in homes*, Flint Water Study (Sept. 2, 2015), <http://flintwaterstudy.org/2015/09/flint-rivers-water-is-very-corrosive-to-lead-and-causing-lead-contamination-in-homes/> (attached as Ex. 22). The river water is so corrosive that in October 2014, a local GM engine plant decided to switch back to Lake Huron water to avoid damage to equipment at the plant from corrosion. Brianna Owczarzak, *GM says no to Flint water*, WNEM, Oct. 14, 2014, <http://www.wnem.com/story/26785625/gm-says-no-to-flint-water> (attached as Ex. 23).

¹⁸ *See* Maximum Contaminant Level Goals and National Primary Drinking Water Regulations for Lead and Copper, 56 Fed. Reg. 26,460, 26,464 (June 7, 1991).

¹⁹ *See* 40 C.F.R. § 141.82.

²⁰ *Id.* §§ 141.2; 141.80(d).

²¹ *See* Email from Pat Cook, MDEQ, to Miguel Del Toral, U.S. EPA (Apr. 24, 2015) (attached as Ex. 24).

²² *See* 40 C.F.R. § 141.86; Email from Pat Cook, *supra* note 21 (Ex. 24).

²³ *See infra* pp. 11-13.

November 16, 2015

Page 6 of 16

Flint's monitoring data showed that some residents' water contained lead at concentrations above the federal "action level" of 15 parts per billion (ppb).²⁴ These high lead levels put residents at risk of a broad array of serious, irreversible health effects, including cognitive impairment, kidney damage, and increased blood pressure.²⁵ When the Environmental Protection Agency (EPA) learned of these high lead sampling results in February 2015, it notified MDEQ officials that the sampling results raised significant concerns about corrosion from lead pipes in Flint's distribution system.²⁶ Nonetheless, throughout the monitoring periods, the City and MDEQ maintained that these high lead levels were isolated and that the data, taken together, demonstrated Flint's compliance with the Lead and Copper Rule.²⁷

C. Community advocacy and independent testing prompt long past due response from City and State officials

As the City concluded its second six-month round of sampling in July 2015, and notified some Flint residents of elevated lead levels in their tap water, the community became increasingly concerned. A small coalition of local groups, including Water You Fighting For and Concerned Pastors for Social Action, began working with researchers at Virginia Tech to conduct their own lead sampling of Flint's water. The Virginia Tech scientists found that ten percent of the more than 250 samples collected from Flint residences had lead levels of 25 ppb or more, well above the federal action level for lead.²⁸ Several samples exceeded 100 ppb, and one sample exceeded 1000 ppb.²⁹ Though aware of

²⁴ See Mich. Dep't of Env'tl. Quality, Lead and Copper Report and Consumer Notice of Lead Result Certificate for Community Water Supply (Aug. 20, 2015) (showing six samples with lead levels over the action level) (attached as Ex. 25); 40 C.F.R. § 141.80(c)(1).

²⁵ See, e.g., U.S. EPA, Integrated Science Assessment for Lead tbl.ES-1 (June 2013) (attached as Ex. 26); U.S. EPA, Basic Information About Lead in Drinking Water, <http://water.epa.gov/drink/contaminants/basicinformation/lead.cfm> (last updated June 26, 2015) (explaining that "[i]nfants and children who drink water containing lead in excess of the action level could experience delays in their physical or mental development," and that "[a]dults who drink this water over many years could develop kidney problems or high blood pressure") (attached as Ex. 27); see also National Ambient Air Quality Standards for Lead, 80 Fed. Reg. 278, 290 (Jan. 5, 2015).

²⁶ See, e.g., Email from Jennifer Crooks, U.S. EPA, to Stephen Busch, MDEQ, and Mike Prysby, MDEQ (Feb. 26, 2015) (attached as Ex. 28).

²⁷ See Nancy Kaffer, *MDEQ e-mails show stunning indifference to Flint peril*, Detroit Free Press, Oct. 22, 2015, <http://www.freep.com/story/opinion/columnists/nancy-kaffer/2015/10/21/indifference-characterized-state-approach-flint-water/74289430/> (attached as Ex. 29).

²⁸ *Flint Town Hall Meeting Presentation and Distribution of lead results across Flint by ward and zip codes*, Flint Water Study, Sept. 16, 2015, <http://flintwaterstudy.org/2015/09/distribution-of-lead-results-across-flint-by-ward-and-zip-codes/> (attached as Ex. 30); Ron Fonger, *Virginia Tech professor says Flint's tests for lead in water can't be trusted*, Michigan Live, Sept. 15, 2015, http://www.mlive.com/news/flint/index.ssf/2015/09/virginia_tech_researcher_says.html (attached as Ex. 31).

²⁹ Marc Edwards et al., *Lead testing results for water sampled by residents*, Flint Water Study, Sept. 28, 2015, <http://flintwaterstudy.org/information-for-flint-residents/results-for-citizen-testing-for-lead-300-kits/> (attached as Ex. 32).

November 16, 2015

Page 7 of 16

the Virginia Tech sampling results, MDEQ officials continued to insist that Flint's water was safe to drink.³⁰

In September 2015, a medical study conducted by a local pediatrician confirmed the kinds of adverse health impacts that residents had voiced concern about for months: the rate of Flint children with elevated blood lead levels had nearly doubled since the City changed its drinking-water source.³¹ State officials and the Governor reacted by "downplay[ing] and in some cases attempt[ing] to discredit" the pediatrician's findings, and dismissing citizen concerns as "near-hysteri[cal]."³²

Subsequent testing by MDEQ revealed that at least four schools in Flint had lead levels in their drinking water above the federal action level.³³ At Freeman Elementary School, water tested had lead levels over 100 ppb, more than six times the federal action level.³⁴ This increase in lead exposure is particularly dangerous in Flint, a community where residents are already at higher risk of elevated blood lead levels and lead poisoning. Michigan ranks fifth worst in the country for harmful exposures to lead.³⁵ Low income is a risk factor for lead poisoning, and more than a third of families in Flint live below the poverty level, three times the national average.³⁶ Children in Flint also face high risk of lead

³⁰ Ron Fonger, *Feds sending in experts to help Flint keep lead out of water*, Michigan Live, Sept. 10, 2015, http://www.mlive.com/news/flint/index.ssf/2015/09/university_researchers_dont_dr.html (attached as Ex. 33).

³¹ *Pediatric Lead Exposure in Flint, MI: Concerns from the Medical Community* (PowerPoint Presentation) (presented on Sept. 24, 2015), available at <http://flintwaterstudy.org/2015/09/pediatric-lead-exposure-presentation-from-hurley-medical-center-doctors-concerning-flint-mi/> (attached as Ex. 34).

³² *Study suggests Flint's water causing increased lead poisoning*, Michigan Radio, Sept. 28, 2015, <http://michiganradio.org/post/study-suggests-flints-water-causing-increased-lead-poisoning#stream/0> (attached as Ex. 35); Ron Fonger, *State says data shows no link to Flint River, elevated lead in blood*, Michigan Live, Sept. 24, 2015, http://www.mlive.com/news/flint/index.ssf/2015/09/state_says_its_data_shows_no_c.html (attached as Ex. 36); *Did this Michigan Town Poison its Children?*, U.S. News & World Report, Sept. 24, 2015, <http://www.usnews.com/news/articles/2015/09/25/flint-michigan-children-show-high-levels-of-lead-in-blood> (attached as Ex. 37).

³³ Steve Carmody, *Four Flint schools have high lead levels in their water*, Michigan Radio, Oct. 8, 2015, <http://michiganradio.org/post/four-flint-schools-have-high-lead-levels-their-water> (attached as Ex. 38).

³⁴ *Id.*

³⁵ Ctrs. for Disease Control & Prevention, *Public Health in Action: Lead Poisoning Prevention in Michigan* (last updated Feb. 4, 2013), http://www.cdc.gov/nceh/information/healthy_homes_lead.htm (attached as Ex. 39).

³⁶ 2009-2013 American Community Survey 5-Year Estimates, 2013, available at <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml> (enter "Flint, MI" in the box under "Community Facts," click on "Income" on left-side bar, then click "Selected Economic Characteristics" under "2013 American Community Survey") (table attached as Ex. 40 compares data from Flint, Michigan, to Michigan and the United States).

November 16, 2015
Page 8 of 16

exposure from lead-paint dust, as nearly ninety percent of Flint's housing stock was built before 1978 (when the federal ban on high-lead paint went into effect).³⁷

Finally, in late September 2015, the City abandoned its assertions that Flint's drinking water was safe. Nearly seven months after the City first saw dangerously high levels of lead in some residents' water, Flint issued a drinking-water advisory and called for state financial assistance to switch the water system back to Detroit's supply.³⁸ Two weeks later, Governor Snyder requested six million dollars from the state legislature to reconnect the Flint water system to Detroit.³⁹ With additional funding from the City and a private foundation, the switch was completed in mid-October.⁴⁰

Following the switch back to Detroit water, some government officials began to ask questions about what went wrong in the course of Flint's change in water sources.⁴¹ Governor Snyder created a task force to review water management and testing in Flint,⁴² and EPA established its own task force "to provide the Agency's technical expertise through regular conversations" with the City and MDEQ.⁴³ Governor Snyder has also announced

³⁷ 2012 Annual Data Report on Blood Lead Levels of Children in Michigan 26 (Apr. 30, 2013), https://www.michigan.gov/documents/mdch/2012AnnualDataReportOnBloodLeadLevels_419508_7.pdf (attached as Ex. 41); Am. Cancer Soc'y, *Lead, Lead in the Environment*, <http://www.cancer.org/cancer/cancercauses/othercarcinogens/athome/lead> (last updated May 27, 2014) (explaining that lead paint is a "major" source of exposure) (attached as Ex. 42); Maj. Thomas F. Zimmerman, *The Regulation of Lead-Based Paint in Air Force Housing*, 44 A.F. L. Rev. 169, 174-75 (1998).

³⁸ *City of Flint Issues Lead Advisory*, City of Flint, Sept. 25, 2015, <https://www.cityofflint.com/2015/09/25/city-of-flint-issues-lead-advisory/> (attached as Ex. 43); Steve Carmody, *Flint officials exploring return to Detroit water*, Michigan Radio, Sept. 28, 2015, <http://michiganradio.org/post/flint-officials-exploring-return-detroit-water#stream/0> (attached as Ex. 44).

³⁹ John Wisely, *Snyder announces \$12 million plan to fix Flint water*, Detroit Free Press, Oct. 8, 2015, <http://www.freep.com/story/news/local/michigan/2015/10/08/snyder-flint-water-reconnect/73567778/> (attached as Ex. 45).

⁴⁰ Amanda Emery, *Flint reconnects to Detroit water, may take 3 weeks to clear all pipes*, Michigan Live, Oct. 16, 2015, http://www.mlive.com/news/flint/index.ssf/2015/10/flint_reconnecting_to_detroit.html (attached as Ex. 46).

⁴¹ E.g., Letter from Sen. Jim Ananich, Mich. Senate Minority Leader, to Susan Hedman, U.S. EPA, and Gina McCarthy, U.S. EPA (Oct. 21, 2015) (attached as Ex. 47); Letter from Rep. Daniel Kildee, U.S. Congressman, to Gina McCarthy, U.S. EPA (Oct. 21, 2015) (attached as Ex. 48).

⁴² Press Release, Gov. Rick Snyder, *Gov. Rick Snyder announces Flint Water Task Force to review state, federal and municipal actions, offer recommendations* (Oct. 21, 2015), http://www.michigan.gov/snyder/0,4668,7-277-57577_57657-367761--,00.html (attached as Ex. 49).

⁴³ Press Release, U.S. EPA, *EPA Establishes Safe Drinking Water Task Force to Provide Technical Expertise to MDEQ and City of Flint* (Oct. 16, 2015), <http://yosemite.epa.gov/opa/admpress.nsf/0/A92DE629DB86E66685257EE000579593> (attached as Ex. 50).

November 16, 2015

Page 9 of 16

plans to launch an “education campaign soon to help schools statewide learn how to get their water tested” for lead.⁴⁴

Despite this proliferation of task forces and campaigns, neither the City nor MDEQ has announced changes in the City’s lead monitoring practices in the wake of Flint’s public-health crisis. Rather, Flint and MDEQ have maintained that these practices are accurate and adequate, despite the near certainty that they are underrepresenting lead contamination in many of Flint’s high-risk homes.

II. City and State officials are in violation of the Safe Drinking Water Act’s Lead and Copper Rule

The Safe Drinking Water Act (the Act) authorizes citizens to sue any governmental entity “who is alleged to be in violation of any requirement” under the statute.⁴⁵ These requirements include the national primary drinking-water regulations for lead and copper set forth in the Lead and Copper Rule.⁴⁶ The Lead and Copper Rule obligates water systems to monitor and control for lead in drinking water.⁴⁷

Since April 2014, Flint’s water system has failed to comply with the Lead and Copper Rule’s requirements for monitoring water for lead, notifying the public of tap-water monitoring results, reporting monitoring results to MDEQ, and controlling corrosion from lead pipes.⁴⁸ These violations systematically result in the City’s underestimating lead levels in its drinking water, masking a public-health crisis. The violations are ongoing and likely to recur in the future: Flint’s water system presently is obligated to monitor for lead every six months, and there is no indication that Flint has changed or disavowed its inadequate approach to monitoring.⁴⁹

⁴⁴ See Lori Higgins, *Michigan to launch lead education effort statewide*, Detroit Free Press, Oct. 13, 2015, <http://www.freep.com/story/news/local/michigan/2015/10/13/lead-water-flint-michigan-testing/73871480/> (attached as Ex. 51).

⁴⁵ 42 U.S.C. § 300j-8(a)(1).

⁴⁶ See *id.* § 300g-1(b)(1)(A); 40 C.F.R. § 141.80(a)(1).

⁴⁷ See, e.g., 40 C.F.R. § 141.86.

⁴⁸ Flint’s water system is subject to the requirements of the Lead and Copper Rule because it is a “community water system” not otherwise exempted from the regulations. 40 C.F.R. §§ 141.80(a)(1), 141.2.

⁴⁹ See *Tamaska v. City of Bluff City*, 26 F. App’x 482, 485 (6th Cir. 2002) (citing *Chesapeake Bay Found. v. Gwaltney of Smithfield*, 844 F.2d 170, 171–72 (4th Cir.1988)). A water system is required to monitor tap water for lead every six months if it (1) exceeds the action level for any monitoring period, or (2) “fails to operate at or above the minimum value or within the range of values for the water quality parameters specified by the State ... for more than 9 days in any six-month period.” 40 C.F.R. § 141.86(d)(4)(vi)(B). Flint’s water system failed to maintain applicable values of orthophosphate and/or pH designated as the optimal water quality parameters by MDEQ. In addition, had the water system conducted monitoring in compliance with the Lead and Copper Rule during the January to June 2015 period, it likely would have exceeded the lead action level.

November 16, 2015

Page 10 of 16

Under the Act, a “supplier of water” is “any person who owns or operates a public water system.”⁵⁰ The City of Flint owns Flint’s water system.⁵¹ Upon information and belief, the State officials administering Flint’s receivership and the City presently operate Flint’s water system. As discussed above, Flint’s Emergency Manager exercised the authority of the local government in the place of Flint’s mayor and city council. The Emergency Manager managed the water system and conducted its affairs, including making the decision to use the Flint River as a primary drinking-water source.⁵² In April 2015, Governor Snyder removed the Emergency Manager and appointed a Receivership Transition Advisory Board to oversee the City’s affairs until the receivership is terminated.⁵³ The Board has control over the City’s budget, and must approve all decisions adopted by the City Council.⁵⁴ The Michigan Local Financial Stability and Choice Act requires the State Treasurer to sit on a receivership transition advisory board for any municipality for which the governor appoints such a board, and Governor Snyder has appointed the State Treasurer (or his designee) to chair Flint’s Board.⁵⁵ The City Administrator reports to the Board, manages the City’s daily administrative operations, and directs City department heads in carrying out the daily activities of the City.⁵⁶ To date, the City remains in receivership, and its actions remain subject to approval of the Board.⁵⁷

Accordingly, the City of Flint; Governor Snyder; Dan Wyant, Director of MDEQ; Nick A. Khouri, Treasurer of Michigan; Frederick Headen, Chairperson of the Flint Receivership Transition Advisory Board; Brian Larkin, David McGhee, Robert McMahan,

⁵⁰ 42 U.S.C. § 300f(5).

⁵¹ See City of Flint, Water System Update, Sept. 2015, <https://www.cityofflint.com/wp-content/uploads/City-Council-Water-Presentation-9-14-2015.pdf> (attached as Ex. 52).

⁵² See *United States v. Twp. of Brighton*, 153 F.3d 307, 314 (6th Cir. 1998) (defining “operator” for purposes of CERCLA as an entity that “performed some affirmative acts,” such as “directing the workings, managing, or conducting the affairs” of a facility) (internal quotation marks and alterations omitted); cf. *United States v. Alisal Water Corp.*, 114 F. Supp. 2d 927, 938 (N.D. Cal. 2000) (applying case law discussing CERCLA “operator” liability to the Safe Drinking Water Act context).

⁵³ Mich. Comp. Laws § 141.1563(1); Press Release, Gov. Rick Snyder, *Gov. Rick Snyder: City of Flint ready to move forward as financial emergency resolved*, Apr. 29, 2015, http://www.michigan.gov/snyder/0,4668,7-277-57577_57657-353433--,00.html (attached as Ex. 53); Emergency Manager Order 20 ¶¶ 4.a.6, 4.a.7 (adopted Apr. 25, 2015), <https://www.cityofflint.com/wp-content/uploads/Order-No.-20.pdf> (attached as Ex. 54).

⁵⁴ Emergency Manager Order 20 ¶¶ 4.a.6, 4.a.7, *supra* note 53 (Ex. 54).

⁵⁵ See Mich. Comp. Laws § 141.1563(2); Letter from Gov. Rick Snyder to Hon. Ruth Johnson, Mich. Sec’y of State (Apr. 29, 2015), http://michigan.gov/documents/treasury/Flint_RTAB_Appointments_488251_7.pdf (attached as Ex. 55).

⁵⁶ Emergency Manager Order 3 ¶¶ 4-6, 25 (adopted Apr. 10, 2015), <https://www.cityofflint.com/wp-content/uploads/Order-No.-3.pdf> (attached as Ex. 56). The City Administrator was appointed by the Emergency Manager and can be removed only with the Board’s consent.

⁵⁷ *Id.*

November 16, 2015

Page 11 of 16

and Beverly Walker-Griffiea, Members of the Board; and Natasha Henderson, Flint City Administrator, are responsible for the violations of the Act by Flint's water system which have endangered and will continue to endanger the health of Flint's residents.

A. Flint's water system is in violation of the Lead and Copper Rule's tap-water monitoring, reporting, and notification requirements

The Lead and Copper Rule requires water systems to identify a pool of sampling sites prior to the commencement of a monitoring period.⁵⁸ This requirement is designed to target residences at high risk of lead contamination in drinking water, such as homes served by lead service lines.⁵⁹ In violation of the Rule, Flint's water system does not select sampling sites for lead monitoring based on a pre-established sampling pool. For Flint's most recent completed monitoring period, January–June 2015, the Director of the City's Department of Public Works admitted that Flint “thr[ew] bottles out everywhere just to collect as many [samples] as we can, to try and hit our number.”⁶⁰ Similarly, email correspondence shows that the City has, during several monitoring periods, asked its own employees to submit tap-water samples, without regard to whether the employees were part of a pre-selected sampling pool.⁶¹

Under the Lead and Copper Rule, water systems that contain lead service lines also must draw fifty percent of their tap-water samples from sites served by a lead service line.⁶² Flint's water system does not comply with this requirement. The water system reported to MDEQ that all the sample sites it used during the January–June 2015 monitoring period were residences served by lead service lines.⁶³ Flint's Utilities Administrator, however, admitted that he was not able to verify that all homes sampled were served by lead service lines.⁶⁴ This is because City records concerning the locations of lead service lines in the distribution system are stored on 45,000 paper notecards. Flint began converting these notecards into an electronic spreadsheet this fall, well after the January–June 2015 monitoring period.⁶⁵

⁵⁸ See 40 C.F.R. § 141.86(a).

⁵⁹ *Id.*

⁶⁰ See ACLU of Michigan, *Thirst for Truth: Who's to Blame for Flint Water Crisis?*, <https://www.youtube.com/watch?t=9&v=LTO9irD2f0Y> (posted Sept. 23, 2015).

⁶¹ Email from Michael Glasgow, Flint Utilities Adm'r, to Flint municipal staff (June 1, 2015) (attached as Ex. 57).

⁶² 40 C.F.R. § 141.86(a)(8).

⁶³ See, e.g., City of Flint, Lead and Copper Report and Consumer Notice of Lead Result Certificate for Community Water Supply (July 28, 2015) [hereinafter July 28 Report] (attached as Ex. 58).

⁶⁴ See ACLU of Michigan, *Thirst for Truth: Who's to Blame for Flint Water Crisis?*, *supra* note 60.

⁶⁵ See Ron Fonger, *Flint data on lead water lines stored on 45,000 index cards*, Michigan Live, Oct. 1, 2015, http://www.mlive.com/news/flint/index.ssf/2015/10/flint_official_says_data_on_lo.html (attached as Ex. 59).

November 16, 2015

Page 12 of 16

Flint's water system has also failed to sample the same sites across monitoring periods or document the reasons for declining to sample the same sites, as the Lead and Copper Rule requires.⁶⁶ Sampling new sites from one monitoring period to the next is permitted only if a site "is no longer accessible" to the water system or "no longer fits the requirements of a priority site."⁶⁷ Records show that in the January–June 2015 monitoring period, Flint's water system retested only thirteen of the one hundred sites it sampled in the previous monitoring period.⁶⁸ It did not provide the required explanation for these departures from the previous monitoring period's sampling sites.⁶⁹ Upon information and belief, Flint's water system concentrated its monitoring in areas where it anticipated low lead levels, due to recent infrastructure improvements, and selectively retested sites that had previously yielded low lead levels. Such selective sampling violates the Lead and Copper Rule's intention that water systems "do not use only those sampling locations with the lowest lead or copper levels."⁷⁰

Flint's instructions to residents for the collection of tap-water samples also violate the Lead and Copper Rule. The Rule allows residents to collect the tap-water samples used to monitor lead in drinking water, so long as the water system instructs residents of the sampling procedures required by the regulations.⁷¹ Tap-water samples must be "first-draw samples," meaning that the sample must be collected after water in the tap has stood motionless in the plumbing system for at least six hours.⁷² Flint's instructions direct residents to flush their taps for five minutes prior to letting the water sit for the six required hours. This "pre-flushing" has been shown to "result in the minimization of lead capture and significant underestimation of lead levels in drinking water."⁷³ The water system's pre-flush instruction "negates the intent of the [Lead and Copper Rule] to collect compliance

⁶⁶ 40 C.F.R. § 141.86(b)(4).

⁶⁷ U.S. EPA, *Lead and Copper Rule Monitoring and Reporting Guidance for Public Water Systems* 25 (Mar. 2010), <http://water.epa.gov/lawsregs/rulesregs/sdwa/lcr/upload/Revised-Lead-and-Copper-Rule-Monitoring-and-Reporting-Guidance-for-Public-Water-Systems.pdf> (attached as Ex. 60).

⁶⁸ See July 28 Report, *supra* note 63 (reporting that the same sample sites were not used) (Ex. 58); see also Curt Guyette, *Lead Astray: An ACLU of Michigan investigation has found a stream of irregularities in Flint's water tests*, Michigan Democracy Watch Blog, Sept. 14, 2015, <http://aclumich.org/democracywatch/index.php/entry/lead-astray-an-aclu-of-michigan-investigation-has-found-a-stream-of-irregularities-in-flint-s-water-tests> (attached as Ex. 61).

⁶⁹ 40 C.F.R. § 141.90(a)(1)(v).

⁷⁰ U.S. EPA, *Lead and Copper Rule Monitoring and Reporting Guidance for Public Water Systems*, *supra* note 67, at 25 (Ex. 60).

⁷¹ 40 C.F.R. § 141.86(b)(2).

⁷² *Id.* §§ 141.2, 141.86(b)(2).

⁷³ Mem. from Miguel Del Toral, U.S. EPA, to Thomas Poy, U.S. EPA, at 2 (June 24, 2015) (attached as Ex. 62).

November 16, 2015

Page 13 of 16

samples under 'worst-case' conditions,"⁷⁴ and goes "against the intent of the monitoring protocol, since it changes the normal water use of the homeowners in the sample."⁷⁵

Flint's water system is violating the Lead and Copper Rule's reporting requirements by representing to MDEQ that Flint's monitoring practices are in compliance with the Rule. The City's water system did not provide documentation to MDEQ justifying its selection of new sample sites in the January–June 2015 monitoring period, and, upon information and belief, is not accurately reporting information concerning whether sampled sites meet required regulatory criteria.⁷⁶

The Lead and Copper Rule also requires Flint's water system to notify each resident whose tap water was sampled of the lead results.⁷⁷ Upon information and belief, Flint has failed and continues to fail to properly notify all residents whose tap water was tested for lead of the individual monitoring results.

B. Flint's water system has failed to maintain optimal corrosion-control treatment

The Lead and Copper Rule required all large public water systems, including Flint's water system, to install an "optimal corrosion control treatment" program by January 1, 1997.⁷⁸ After a system has optimized its corrosion-control treatment, the regulations require the system to "continue to operate and maintain optimal corrosion control treatment."⁷⁹ Since April 2014, Flint's water system has not maintained an optimal corrosion-control treatment program. Historically, the water system complied with the corrosion-control requirements by purchasing treated water from Detroit. When Flint switched its water source to the Flint River in April 2014, it did nothing to treat the Flint River water to control corrosion. This failure to maintain optimized corrosion control violates the Lead and Copper Rule.

Although Flint's water system has resumed its purchase of treated water from Detroit, it has not disavowed its erroneous interpretation of the Lead and Copper Rule's corrosion-control requirements. Nor has it committed to maintaining optimized corrosion control when it switches water sources again this summer to the KWA pipeline. Flint's water system's failure to maintain an optimized corrosion-control treatment program is likely to recur in the future.

⁷⁴ *Id.*

⁷⁵ Letter from Cynthia Dougherty, U.S. EPA, to Ralph Scott, Alliance for Healthy Homes (Sept. 12, 2008) (attached as Ex. 63).

⁷⁶ See 40 C.F.R. § 191.90(a)(1)(i), (a)(1)(v); *supra* pp. 11-12.

⁷⁷ 40 C.F.R. § 141.85(d)(1).

⁷⁸ *Id.* § 141.81(d)(4).

⁷⁹ *Id.* § 141.82(g).

November 16, 2015

Page 14 of 16

III. The State of Michigan's failure to maintain a schools testing and remediation program violates the Safe Drinking Water Act

The Act requires each state to establish a program "to assist" schools and day care centers in "testing for, and remedying, lead contamination in drinking water."⁸⁰ Test results must be made available at schools, with notification to parents and teachers.⁸¹ Michigan, upon information and belief, does not maintain a program for school lead testing, remediation, and notification.⁸² Accordingly, Governor Snyder and MDEQ Director Wyant are presently in violation of the Act's schools provision.⁸³

IV. Intent to Sue

The City of Flint and Michigan state officials have been and continue to be in violation of the Lead and Copper Rule's requirements for monitoring and sampling tap water for lead, notifying the public of and reporting to the State tap-water monitoring results, and corrosion control. Governor Snyder and MDEQ Director Dan Wyant are in violation of the Act's requirement to maintain a program to assist Michigan schools with testing and remediating lead in school drinking water. These violations are likely to continue and to recur in the future absent a judicial decree ordering City and State officials to comply with the Act. If the City of Flint and the Michigan state officials identified above fail to cure their noncompliance with the Act within sixty days, Concerned Pastors for Social Action, Melissa Mays, ACLU of Michigan, and NRDC will file suit in federal district court seeking declaratory relief, injunctive relief, and litigation costs, as appropriate.

The name, address, and telephone number of each person giving notice pursuant to this letter are:

Concerned Pastors for Social Action
2200 Forrest Hill
Flint, MI 48504
(810) 394-6787
Attention: Pastor Allen Overton

⁸⁰ 42 U.S.C. § 300j-24(d)(1).

⁸¹ *Id.* § 300j-24(d)(2).

⁸² Although MDEQ recently announced "an education campaign" to help Michigan schools learn how to test their water for lead, MDEQ has yet to release the details of this effort, including whether it will offer the kind of assistance with testing, remediation, and notification contemplated by the Safe Drinking Water Act. See Higgins, *Michigan to launch lead education effort statewide*, *supra* note 44 (Ex. 51).

⁸³ MDEQ has primary enforcement authority in Michigan for the Safe Drinking Water Act. See MDEQ, Drinking Water, http://www.michigan.gov/deq/0,4561,7-135-3313_3675---,00.html (last visited Nov. 13, 2015) (attached as Ex. 64).

November 16, 2015
Page 15 of 16

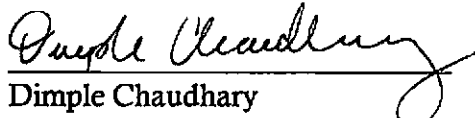
Melissa Mays
3714 Beecher Road
Flint, MI 48503

American Civil Liberties Union of Michigan
2966 Woodward Avenue
Detroit, MI 48103
(313) 578-6814
Attention: Michael Steinberg

Natural Resources Defense Council
1152 15th Street, NW, Suite 300
Washington, DC 20005
(202) 289-2385
Attention: Dimple Chaudhary

Do not hesitate to contact us if you would like to discuss this matter.

Respectfully,

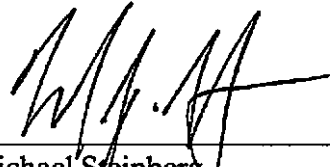


Dimple Chaudhary
Natural Resources Defense Council
1152 15th Street, NW, Suite 300
Washington, DC 20005
(202) 289-2385

Sarah Tallman
Anjali Waikar
Evan Feinauer
Natural Resources Defense Council
20 North Wacker Drive, Suite 1600
Chicago, IL 60606
(312) 651-7918

*Counsel for Concerned Pastors for Social Action,
Melissa Mays, and Natural Resources Defense
Council*

Enclosure



Michael Steinberg
Brooke Tucker
American Civil Liberties Union of
Michigan
2966 Woodward Avenue
Detroit, MI 48103
(313) 578-6814

*Counsel for American Civil Liberties Union
of Michigan*

November 16, 2015

Page 16 of 16

cc:

Administrator Gina McCarthy
U.S. EPA Headquarters
William Jefferson Clinton Building
1200 Pennsylvania Avenue, NW
Mail Code: 1101A
Washington, DC 20460
McCarthy.gina@Epa.gov

Regional Administrator Susan Hedman
U.S. EPA Region 5
77 West Jackson Boulevard
Mail Code: R-19J
Chicago, IL 60604
Hedman.susan@Epa.gov

Attorney General Bill Schuette
State of Michigan
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
P.O. Box 30212
Lansing, MI 48909
miag@michigan.gov

Robert, Carla M. (Treasury)

From: Tallman, Sarah <stallman@nrdc.org>
Sent: Wednesday, January 27, 2016 7:47 AM
To: Khouri, Nick (TREASURY)
Cc: Chaudhary, Dimple
Subject: Complaint filed in Concerned Pastors for Social Action v. Khouri, No. 16-cv-10277
Attachments: 16-cv-10277-complaint.pdf

Secretary Khouri:

Please find attached a courtesy copy of a complaint filed today by Concerned Pastors for Social Action, Melissa Mays, American Civil Liberties Union of Michigan, and Natural Resources Defense Council, Inc. in the U.S. District Court for the Eastern District of Michigan. A hard copy will be sent to you via USPS Certified Mail.

Regards,

Sarah Tallman

SARAH TALLMAN

NATURAL RESOURCES
DEFENSE COUNCIL

20 N WACKER DRIVE, SUITE 1600
CHICAGO, IL 60606
T 312.651.7918

STALLMAN@NRDC.ORG
NRDC.ORG

Workman, Wayne (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Wednesday, January 27, 2016 9:20 AM
To: Khouri, Nick (TREASURY); Saxton, Thomas (Treasury)
Cc: Steckelberg, Larry (TREASURY)
Subject: FW: Flint Consultant Selection Process
Attachments: ftf-5_performance_evaluation_period_12-16-15_final_0.pdf;
McCarthylettertoRickSnyder.pdf

FYI, These folks are wanting to do consulting engineering on Flint's water system. They have an excellent reputation and are wondering if there is an RFP process.

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Byrne, Randall (Treasury)
Sent: Tuesday, January 26, 2016 5:05 PM
To: Workman, Wayne (TREASURY)
Subject: FW: Flint Consultant Selection Process

Wayne:

Per your request.

Randy

From: Cooperwasser, Victor [<mailto:Victor.Cooperwasser@tetrattech.com>]
Sent: Friday, January 22, 2016 9:33 AM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Flint Consultant Selection Process

Good Morning Randy:

Per my voicemail to you this morning, the EPA's Order, in part, requires a "publicly transparent process" to get nationally recognized water treatment experts on board as mentioned in item 4 on the second page of US EPA Administrator McCarthy's letter to Governor Snyder, attached.

In regard to item 5 of Ms. McCarthy's letter regarding the "affirmative determination" that Flint has the "technical, managerial, and financial capacity" to make the transition to the KWA, the Flint Drinking Water Task Force's recommendations, attached, recommend that "Flint develop and implement a Performance Assessment Plan prior to distribution of water from the KWA...".

Tetra Tech has the expertise to provide the required services and desires information regarding the process that will be used for consultant selection.

Thank you for any assistance you can provide.

Best regards,
Vic

Victor J. Cooperwasser, PE | Senior Project Manager

Direct 734 [REDACTED] | Mobile 734 [REDACTED] | Fax 734 213 3003
victor.cooperwasser@tetratech.com

Tetra Tech | Water, Environment & Infrastructure Group | US Based Operations
710 Avis Drive, Suite 100 | Ann Arbor, MI 48108 | www.tetratech.com

PLEASE NOTE This message including any attachments, may include privileged, confidential and/or inside information. Any distribution or use of this communication by anyone other than the intended recipient is strictly prohibited and may be unlawful. If you are not the intended recipient, please notify the sender by replying to this message and then delete it from your system.

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.

Stanton, Terry A. (Treasury)

From: Heaton, Anna (GOV)
Sent: Wednesday, January 27, 2016 10:16 AM
To: Stanton, Terry A. (Treasury), Murray, David (GOV)
Subject: RE: lawsuit

Thanks Terry.

The state's top priority right now is making sure the people of Flint immediately have access to safe, clean water, and that includes reaching every home to supply water, filters, replacement filter cartridges and water testing kits. The administration is also working with independent experts on testing of the water and will continue to work with them going forward.

From: Stanton, Terry A. (Treasury)
Sent: Wednesday, January 27, 2016 8:52 AM
To: Murray, David (GOV) <MurrayD1@michigan.gov>
Cc: Heaton, Anna (GOV) <HeatonA@michigan.gov>
Subject: Fwd: lawsuit

Dave...

We generally don't comment on litigation, especially lawsuits we have either just received or have not been able to review.

That said, seems we should (after noting we do not comment on litigation) point to on-going State efforts etc.

If you agree, could you provide a couple sentences that would reflect consistently with what the administration has been saying in relation to on-going State efforts?

Please advise and thanks.

Terry

Begin forwarded message:

From: "Eggert, David" <DEggert@ap.org>
Date: January 27, 2016 at 8:06:08 AM EST
To: "Stanton, Terry A. (Treasury)" <StantonT@michigan.gov>
Subject: lawsuit

Terry,

Treasurer Khouri is named as a defendant in a new lawsuit filed this morning that asks a federal judge to force him, members of the transition advisory board, the city of Flint and Natasha Henderson to comply with the safe drinking water act, including the replacement of lead service lines. I wanted to reach out for a response. Thx.

Dave

Schafer, Suzanne K. (Treasury)

From: Vaughn, Cary J. (Treasury)
Sent: Wednesday, January 27, 2016 10:26 AM
To: Steckelberg, Larry (TREASURY)
Cc: Schafer, Suzanne K. (Treasury)
Subject: FW: Bullet Points for State
Attachments: Summary of Water Crisis Financial Needs 1.15.16 (1).xlsx

Follow Up Flag: Follow up
Flag Status: Completed

Please let me know if this is not what you are looking for
cary

From: Jody Lundquist [mailto:jlundquist@cityofflint.com]
Sent: Wednesday, January 27, 2016 10:20 AM
To: Vaughn, Cary J. (Treasury) <VaughnC2@michigan.gov>
Cc: Natasha Henderson <nhenderson@cityofflint.com>; Karen Weaver <kweaver@cityofflint.com>
Subject: Bullet Points for State

Good morning, Mr. Vaughn.

Please find below a summary of three of the top critical needs/concerns currently facing the City of Flint as a result of the Water Crisis.

1. Cash Flow - The City's cash flow continues to decline at an increasing rate as a result of decrease collections and reduced water rates.

a. Collection Rate - By not performing shut offs, the City's collection rate has dropped drastically. This trend is confirmed by the steadily decreasing number of payments received each day which is tracked on a daily basis.

b. Billed Revenue - The City was required to reduce its water and sewer rates as a result of the Preliminary Injunction Order issued by Judge Hayman. Although the amended order authorizes the City to restore rates to those included in the EM adopted Master Fee Schedule, the City has not implemented any changes at this time. This has resulted in an average loss of monthly billed revenue of over \$600,000. However, billed revenue is meaningless if it cannot be collected (see bullet point 1).

c. Delinquent Accounts prior to August 17, 2015 - As a result of the original preliminary injunction order, the City was prohibited from performing shut offs on any delinquent accounts as of the date of the Order. The City was forced to effectively "set aside" all past due accounts as of August 17 in the amount of \$10.2 million.

2. Capital Needs - All scheduled FY2016 capital improvement projects for General Fund, Water and Sewer postponed or cancelled as well as those necessary to prepare for receipt of KWA water and all water infrastructure replacement and repairs related to removal of lead lines.

3. Litigation - Shears litigation costs and litigation costs of emerging class action lawsuits against the City as a result of the lead water crisis.

I have also attached a Summary of Water Crisis Financial Needs provided to the Governor on January 15, 2016.

Please let me know if you have any questions or require any additional information.

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

**CITY OF FLINT
SUMMARY OF WATER CRISIS FINANCIAL NEEDS**

Shears v. City of Flint Litigation

Description	Amount
Loss in monthly billed revenue The Preliminary Injunction Order issued by Honorable Judge Archie Hayman on August 17, 2015 required the City to reduce water and sewer rates to exclude the September 16, 2011 rate increases. This resulted in a loss of monthly billed revenue of approximately \$616,000 per month for approximately 5 months.	\$ 3,080,000
Loss in monthly revenue collections As a result of the City's inability to enforce payment through shut offs, which was later accelerated by the declaration of the water emergency, the City's collection rate has fallen from 98% in August to 75% in November before improving slightly in December. The average collection rate for the period August to December is now 84%. The City issued its first round of shut off notices in November but has not resumed processing as of January 14, 2015. No disconnection of service for nonpayment on active accounts has occurred since August 2015. Based on the reduced average monthly billed revenue of \$4.6 million and the increased delinquency rate, the City's allowance for uncollectible accounts must be increased. The collection rate is expected to remain low until shut off notice processing is resumed and processed consistently (\$4.6 million x 15% x 7 months).	\$ 4,830,000
Loss due to uncollectible delinquent accounts at August 17, 2015 The original preliminary injunction order enjoined the City from disconnecting any accounts for non payment for which the delinquency arose between September 16, 2011. This effectively forced the City to set aside approximately \$10.9 million in outstanding customer balances as uncollectible.	\$ 10,890,947
Rate increase for the period September 16, 2011 through June 30, 2012 Judge Hayman has stated in open court that the rate increase from September 16, 2011 to June 30, 2012 was illegal. While a ruling regarding this matter is anticipated, the increase to rates and charges during that time period resulted in approximately \$15 million of billed revenue. Should the judge order the City to repay these billings or provide credits to customer accounts in that amount, the City's current revenue will need to offset this enormous cost. Collections for the period October 2011-July 2012 for which the September 16, 2011 rate increase would have been billed in received total \$46 million. Refunding the amount of collections during that period resulting from the rate increase will cost the City over \$16 million.	\$ 16,100,000
Capital Improvement Projects removed from Fiscal Year 2016 Budget As a result of the immediate and drastic impact of the preliminary injunction order, the City issued a spending freeze for all non-critical items. In order to offset the reduction in billed revenue and collections, the City reviewed its capital improvement plan and cancelled or postponed nearly all projects with the exception of those necessary to prepare for the Karegnondi Water Authority (KWA). The removal of \$3.9 million and \$1.7 million in planned capital improvement projects for the Sewer and Water funds, respectively, were included in the adopted FY16 First Quarter Budget Amendments.	\$ 5,600,000
Legal costs associated with litigation The State has agreed to reimburse the City 75% of legal costs associated with this litigation not to exceed a total reimbursement of \$300,000. Total legal expense of representation by external legal counsel is anticipated to reach \$600,000 leaving a gap of \$300,000 borne entirely by the City (25% of the first \$400,000 = \$100,000 plus an additional \$200,000 through final ruling).	\$ 300,000
TOTAL FINANCIAL IMPACT OF SHEARS V. CITY OF FLINT LITIGATION	\$ 40,800,947

**CITY OF FLINT
SUMMARY OF WATER CRISIS FINANCIAL NEEDS**

Declaration of State of Water Emergency

Description	Amount
Additional Corrosion Control Procedures Implementation of the additional corrosion control procedures totaled approximately \$45,000 and is being maintained at an estimated cost of \$100/day (\$45,000 + \$100/day x 365 days/year x 5 years)	\$ 227,500
Purchase of DWSD Water The City expended \$2 million towards the \$10 million escrow required by the Detroit Water and Sewage Department (DWSD) to resume purchasing water through June 30, 2016. It is expected that the City will need to continue purchasing water from Great Lakes Water Authority (formerly DWSD) for an additional three months until the City is ready to begin receiving water through KWA.	\$ 6,000,000
Backflow system necessary for testing and future back flow supply As a result of switching the City's water supply to DWSD, the pipe that would have been used to transport raw water from Lake Huron to the City's water plant is in use. The City must develop an alternate path from which to receive water during the period for which raw water must be tested prior to full conversion to KWA as the City's water supplier.	\$ 6,342,326
PSI contractor for locating and mapping lead lines Historical data maintained by the City is incomplete and inaccurate. A third party contractor has been engaged to assist in locating lead lines and testing water samples obtained from those sites. Additional services may include integrating the results of their efforts with the City's GIS maps.	\$ 75,000
University of Michigan for data compilation The University of Michigan has agreed to assist the City in its efforts to compile historical data on the location of lead lines and any additional data obtained through the course of this emergency.	\$ 3,600
Excavation of residential service lines The excavation of 6 residential services lines is necessary for additional testing (\$5,000/line x 6 lines)	\$ 30,000
Replacement of service lines Replacement cost included in other estimates provided to the State of Michigan detailed each residential line to cost \$1,500 to replace (\$1,500/line x 15,000 lines)	\$ 22,500,000
8" residential water mains and 24" transmission mains It is estimated that there are approximately 600 miles of 8" residential lines and 60 miles of 24" transmission mains needing replacement. Preliminary estimates place replacement of residential lines at \$145 per foot and \$800 per foot for transmission mains (\$145/foot x 600 miles x 5,280 feet/mile plus \$800/foot x 60 miles x 5,280 feet/mile)	\$ 712,800,000
Loss of monthly County backup revenue (\$40,000/month x 9 months) As a result of the media coverage and declaration of a health emergency, Genesee County has decided to discontinue its contractual payment to the City per its backup agreement. The City has not received payment since September 2015. Assuming another agreement for backup supply is negotiated with Genesee County, \$360,000 in revenue adopted in the City's FY16 budget will be lost or remain uncollectible without litigation.	\$ 360,000
Fire Department overtime The Fire Department is now operating an additional fire station as a distribution center 7 days per week. With the necessity to designate staff to the EOC and overseeing distribution at each of the other sites, overtime costs are being incurred daily (\$2,000/day x 180 days)	\$ 360,000
PTO's for counter (\$3,000/month x 6 months) In order to carryout staffing of the EOC and distribution counter at City Hall, civilian staff within the police department has been assigned to fulfilling this specific function. Additional wages are estimated at \$3,000 per month (\$3,000/month x 6 months)	\$ 18,000
TOTAL FINANCIAL IMPACT OF DECLARATION OF WATER EMERGENCY	\$ 748,716,426

Robert, Carla M. (Treasury)

From: Clayton, Stacie (GOV) <claytons3@michigan.gov>
Sent: Wednesday, January 27, 2016 10:45 AM
To: Kelenske, Chris (MSP); Garza, Oralya (MSP); Creagh, Keith (DEQ); Thelen, Mary Beth (DEQ); Lyon, Nick (DHHS); Grijalva, Nancy (DHHS); Zimmer, Mike (LARA); Burton, Diane (LARA); Khouri, Nick (TREASURY); Doyle, Maureen (Treasury); Whiston, Brian (MDE); Carefoot, Karen (MDE); Guerrant, Kyle (MDE); Smith, Paul (GOV)
Subject: REVISED Agenda for Today's FWICC Meeting
Attachments: FWICC Agenda for 1.27.16.pdf; EO 1-2016 FWICC.PDF
Importance: High

Greetings,

Please see the revised agenda for today's meeting (please note other speakers have been added and speaking times have been changed). Also, attached is the Executive Order.

~Stacie

313.456.4994 (office)
claytons3@michigan.gov

FLINT WATER INTERAGENCY COORDINATING COMMITTEE

JANUARY 27, 2016, 3-5PM

- | | | |
|--------------|---|--------------------------------------|
| I. | Introductions | (All – 5 min) |
| II. | Opening Remarks | (Gov. Snyder – 10 min) |
| III. | Executive Order No. 2016 – 1 | (Paul Smith – 10 min) |
| | a. Overview | |
| | b. Questions | |
| IV. | Emergency Operations Center Update | (Kelenske – 10 min) |
| V. | Local Government Update | (5 min each) |
| | a. Mayor Weaver | |
| | b. Chairman Curtis | |
| VI. | Subject Matter Experts | (5 min) |
| | a. Dr. Mona Hanna-Attisha | |
| | b. Dr. Laura Sullivan | |
| | c. Prof. Marc Edwards | |
| | d. Dr. Lawrence Reynolds | |
| VII. | Discussion of Goals | (5 min/Department) |
| | a. MDEQ | |
| | b. MDHHS | |
| | c. MDT | |
| | d. MDE | |
| VIII. | General Discussion | (Moderated by Hollins 15 min) |
| IX. | Next Steps | (Hollins/Kelenske – 10 min) |



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.

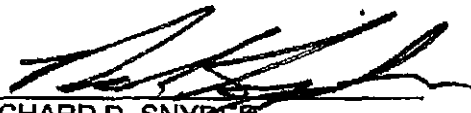
B. Any suit, action, or other proceeding lawfully commenced by, against, or before any entity affected under this Order shall not abate by reason of the taking effect of this Order.

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

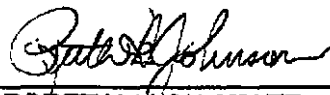
The Executive Order shall become effective upon filing.

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: Steckelberg, Larry (TREASURY)
Sent: Wednesday, January 27, 2016 1:43 PM
To: Workman, Wayne (TREASURY); Saxton, Thomas (Treasury)
Subject: FW: Flint information-follow up question
Attachments: Flint Water Facts.docx; Treasury's Role in Flint 1-26-2016 (2).docx

Updated to reflect loss of the fee increase is included in the shortfall numbers. I wanted you to review before I forward to Nick.

From: Schafer, Suzanne K. (Treasury)
Sent: Wednesday, January 27, 2016 1:32 PM
To: Steckelberg, Larry (TREASURY) ; Vaughn, Cary J. (Treasury)
Subject: RE: Flint information-follow up question

Larry,

Here is an updated version. I have highlighted the change to address your question.

Suzanne

From: Steckelberg, Larry (TREASURY)
Sent: Wednesday, January 27, 2016 12:13 PM
To: Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>; Vaughn, Cary J. (Treasury) <VaughnC2@michigan.gov>
Subject: RE: Flint information-follow up question

Can we talk about the bullet that has the rate increase? Has that been approved? If not, what happens to the balances if that is not approved? Let's talk.

From: Schafer, Suzanne K. (Treasury)
Sent: Wednesday, January 27, 2016 11:28 AM
To: Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Cc: Vaughn, Cary J. (Treasury) <VaughnC2@michigan.gov>
Subject: RE: Flint information
Importance: High

See attached.

From: Steckelberg, Larry (TREASURY)
Sent: Wednesday, January 27, 2016 10:40 AM
To: Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>
Subject: FW: Flint information

From: Saxton, Thomas (Treasury)
Sent: Wednesday, January 27, 2016 10:25 AM

To: Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>;
Cline, Richard (Treasury) <cliner1@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Flint information

How are you guys coming with this ? Do you have an 'eta'?

From: Saxton, Thomas (Treasury)
Sent: Tuesday, January 26, 2016 5:16 PM
To: Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>;
Cline, Richard (Treasury) <cliner1@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Flint information

I think Nick is good with this... but can we get (even on a separate page) some of the 'factoids' we talked about e.g., # of customers in the water sys (residential – business), approx. sys annual revenues, average resident water bill, miles of pipeline, any changes over the past couple years ie, declines.

From: Steckelberg, Larry (TREASURY)
Sent: Tuesday, January 26, 2016 5:06 PM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Flint information

New one page with edits.

From: Khouri, Nick (TREASURY)
Sent: Tuesday, January 26, 2016 4:54 PM
To: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Flint information

Yes please

From: Saxton, Thomas (Treasury)
Sent: Tuesday, January 26, 2016 4:52 PM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Cc: Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Flint information

So you want this converted to one page ?

From: Khouri, Nick (TREASURY)
Sent: Tuesday, January 26, 2016 4:48 PM
To: Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Flint information

He is my edits

From: Steckelberg, Larry (TREASURY)
Sent: Tuesday, January 26, 2016 4:44 PM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Flint information

One page

From: Khouri, Nick (TREASURY)
Sent: Tuesday, January 26, 2016 4:32 PM
To: Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: RE: Flint information

Can you put it in one page of talking bullets

Don't need a cover page or powerpoint format

From: Steckelberg, Larry (TREASURY)
Sent: Tuesday, January 26, 2016 4:31 PM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Workman, Wayne (TREASURY) <WorkmanW@michigan.gov>
Subject: Flint information

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

FLINT WATER FACTS

- Water user revenue for fiscal year 2015 was \$33.7M. Collection rate averaged 98%.
- Water user revenue for fiscal year 2016 assuming a conservative collection rate of 85% and a fee increase of 22% would result in approximately \$26.4M.
- City estimates a collection rate of 65% for the period of January 2016 through June 2016.
- City estimates a collection rate of 45% for the period of July 2016 through December 2016.
- **Absent normal collection rates and a fee increase, the City projects a cash flow shortfall beginning September 2016.** Overall, cash flow shortage through December 2016 is estimated to be \$8.5M.
- If the City were to experience normal collection rates and realize a fee increase, the City estimates a cash balance of a positive \$5.3M. Therefore, total cash shortage is \$13.8M (\$8.5M + \$5.3M).
- Based on a fact sheet of the water system updated by Flint in March 2015, the water system:
 - Had 31,000 users in 2014 compared to 46,000 users in 2006.
 - Has 600 miles of distribution mains.
- Based on numerous media reports, the average water bill is \$140 per month.

Treasury's Role in Three Primary Areas

Flint has critical needs in many areas. We see our role in three primary areas.

- Infrastructure development and finance.
- Fiscal stability of both the water/sewer and overall city government.
 - Short term (cash)
 - Long term
- Flint's economic development.

Infrastructure Development and Finance

- Treasury's goal is to work with others to develop a long-term water infrastructure investment plan for distressed local units.
- Once a quality study is created to determine an accurate picture of the scope and cost for the necessary system improvements, Treasury is confident we can come up with a method to help finance improvements.
- We will look at alternative funding sources, including bonds, surcharges, and existing Federal and State dollars.

Fiscal Stability

- In April of 2015, Flint was on a path to exit financial emergency with its funds showing comfortable cash balances.
- The cash balance in the water system was \$20 million in July 2015. Now, the system is in the red and Flint's water system will potentially be out of cash as early as September. The sewer fund faces a similar situation. Eventually this will become an obligation of the city's general fund.
- Develop strategies to stabilize near term finances of water and sewer system.
- Doing all we can to make sure Flint's water rates are affordable.
- Assist city in continuing on path to financial stability across all accounts.

Economic Development

- We need to address the long term impact of the recent months on the city's economic development.
- Start by assessing the impact on property values and business location decisions.
- Partner with economic development agencies to assist in growing Flint's economy.
- The support needs to be targeted to the needs of the city.

Treasury Role in Flint

Near Term Goals

Stabilizing Cash Flow for Water and Sewer

- Complete cash flow analysis
- Compile data on declining pay rates
- Develop strategies to stabilize finances

Infrastructure Financing

- Explore avenues for affordable infrastructure development
- Assist in financial planning and implementation

Economic Development

- Partner with economic development agencies to assist in growing Flint's economy.
- Assist with project financing.

Robert, Carla M. (Treasury)

From: Headen, Frederick (Treasury)
Sent: Wednesday, January 27, 2016 12:03 PM
To: Stanton, Terry A. (Treasury); Khouri, Nick (TREASURY)
Cc: Doyle, Maureen (Treasury)
Subject: RE: Lawsuit re Flint

From a legal standpoint, I would prefer that the statement simply be "we do not comment on current litigation." However, I appreciate there may be a need to emphasize corrective steps that have been, or that are being, taken. The Governor's Office likely will not receive a copy of the complaint. Although he was named in the November 16, 2015, Notice of Intent to Sue, he was removed as a defendant from the complaint as it was filed today.

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

From: Stanton, Terry A. (Treasury)
Sent: Wednesday, January 27, 2016 11:44 AM
To: Khouri, Nick (TREASURY) <KhouriN@michigan.gov>; Headen, Frederick (Treasury) <HeadenF@michigan.gov>
Cc: Doyle, Maureen (Treasury) <DoyleM4@michigan.gov>
Subject: Lawsuit re Flint

A couple reporters have asked for comment on a lawsuit filed this am against Nick and the Flint RTAB, the city of Flint and Natasha Henderson to comply with the safe drinking water act, including the replacement of lead service lines.

After conferring with the Gov's office, they suggest the following:

"We have not received or reviewed the lawsuit at this time and do not comment on current litigation.

That said, the state's top priority is making sure the people of Flint immediately have access to safe, clean water, and that includes reaching every home to supply water, filters, replacement filter cartridges and water testing kits. The administration is also working with independent experts on testing of the water and will continue to work with them going forward."

Want to be sure you are comfortable with this response.

Please advise.

Schafer, Suzanne K. (Treasury)

From: Byrne, Randall (Treasury)
Sent: Wednesday, January 27, 2016 1:10 PM
To: Schafer, Suzanne K. (Treasury); Steckelberg, Larry (TREASURY)
Subject: FW: Flint Weekly Call Notes

Suzanne and Larry

The weekly call notes on Flint

Randy

From: Heimann, Alexandr (TREASURY)
Sent: Wednesday, January 27, 2016 11:30 AM
To: Widigan, Robert (TREASURY) <WidiganR@michigan.gov>; Dostine, Patrick (TREASURY) <DostineP@michigan.gov>; Vandegrift, Drew (TREASURY) <VandegriftD@michigan.gov>; Hudson, Deanna (TREASURY) <HudsonD4@michigan.gov>; Cline, Richard (Treasury) <cliner1@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: RE: Flint Weekly Call Notes

Per Randy's feedback, some minor revisions

Flint
Weekly Phone Call
01/27/16

Present:
N. Henderson (Flint)
Council President Nelson (Flint)
P. Dostine (Treasury)
E. Cline (Treasury)
A. Heimann (Treasury)
R. Byrne (Treasury)
T. Chubb (Flint)

Not Present:
Mayor Weaver (Flint)
F. Headen (Treasury)
W. Lamphier (Treasury)

1. Water Update:

EPA ORDER/WATER TESTING:

- Released recently, was exhaustive (200 pages). Requires the city to do significant water testing daily.
- **City feels that it does not have the capacity to complete all of what the EPA has in its order**, will be meeting with them Thursday January 28th, 2016, and will address that with them. Will ask the EPA to consider hiring a contractor to help with water testing.
- City is currently taking 400 samples a day to Lansing for the state to test (twice daily).
- Lead levels are "way down", only a few areas in the city are still over the maximum threshold.
- Unclear when the community will feel safe drinking the water after this.

- Governor has a committee on safe drinking water that includes Mark Edwards (Virginia Tech) that will make a public announcement that it is safe to drink the water again.

BLOOD LEAD LEVEL TESTING

- Hurley Medical Center and Mott Children's are testing blood lead levels, it is unclear whether or not this will be a coordinated effort, or sporadic.

SAFE DRINKING WATER REVOLVING LOAN FUND

- Representative from the federal component of this loan program will be visiting along with other EPA officials on January 28th, 2016.
- N. Henderson had made it clear that the city could not repay any of the money that they are requesting in this loan fund, and hopes that the fund administrators would consider a 100% forgivable loan.
- **Intend to submit their executive summary by February 1st, 2016**
- City's application asks for \$25M a year for five years to remove/replace priority water infrastructure. Will specifically address where water has been sitting for longer periods of time, and right sizing the system as a whole. *Per previous call, Rowe Engineering is helping them with this application*

DWSD WATER CONSUMPTION

- The city is consuming almost precisely how much water it estimated that it would be
- The city's water consumption rate has not decreased at all, even after the lead issue, people appear to still be consuming about the same amount of water as they did before.

MML SEARCH

- Hopes that the MML will have the position posted this morning
- The city had it posted for the last week, and have so far received 11 resumes

WATER DISTRIBUTION/RELIEF EFFORTS

- City is trying to find some different locations for the EOC to distribute water and filters, because of traffic, several of the fire stations are not good locations for this effort, and continued use of those facilities might diminish the city's capacity to respond to fires.
- City suspects that the need for bottled water will decrease in the next few months
- The city suggests that they would prefer donations and contributions to be financial, instead of sending more bottled water. Donations can be made to the Greater Flint Community Foundation through their website.

2. Litigation issues

FINANCIAL REIMBURSEMENT

- **City is submitting another letter to the treasury to ask to be reimbursed for additional legal fees. The city suggests that the number of lawsuits that they will be defending against will be increasing significantly.**

SHEARS V FLINT

- A revision was issued on January 11th, 2016 that negated much of the financial impacts of the original lawsuit
- City will be able to collect past due bills going all the way back to July 2012
- Rate hikes between September, 2011 and July 2012 are still an issue, because the city raised rates in a manner that was inconsistent with city charter. T. Chubb suggests that after a motion that he recently filed, he might be able to get that piece dismissed as well.
- Val Washington (attorney for plaintiff) has a meeting scheduled with the city to discuss a settlement, T. Chubb believes that it is because V. Washington feels that he no longer has a case.

KINCAID V FLINT

- T. Chubb expressed that he feels this case is very similar to Shears v Flint.
- Thinks that V. Washington is pursuing this case because it was filed earlier, and therefore it can address water rates that go back to 2006 because it was filed in 2012.

MAYS V FLINT/SNYDER

- Coordinating with the Attorney General's office, will have their "12B6's" filed in the beginning of February, 2016.

Alexandr Heimann
Municipal Analyst
Local Government Financial Services Division
Michigan Department of Treasury
Office (517) 335-2434

From: Heimann, Alexandr (TREASURY)

Sent: Wednesday, January 27, 2016 11:01 AM

To: Widigan, Robert (TREASURY) <WidiganR@michigan.gov>; Dostine, Patrick (TREASURY) <DostineP@michigan.gov>; Vandegrift, Drew (TREASURY) <VandegriftD@michigan.gov>; Hudson, Deanna (TREASURY) <HudsonD4@michigan.gov>; Cline, Richard (Treasury) <cliner1@michigan.gov>; Byrne, Randall (Treasury) <ByrneR1@michigan.gov>

Subject: Flint Weekly Call Notes

Hello Randy,

Here is the draft of the weekly call notes from Flint. Please review these, and let me know if you identify any errors or omissions:

Flint
Weekly Phone Call
01/27/16

Present:

N. Henderson (Flint)
Council President Nelson (Flint)
P. Dostine (Treasury)
E. Cline (Treasury)
A. Heimann (Treasury)
R. Byrne (Treasury)
T. Chubb (Flint)

Not Present:

Mayor Weaver (Flint)
F. Headen (Treasury)
W. Lamphier (Treasury)

1. Water Update:

EPA ORDER/WATER TESTING:

- Released recently, was exhaustive (200 pages). Requires the city to do significant water testing daily.

- **City feels that it does not have the capacity to complete all of what the EPA has in its order, will be meeting with them Thursday January 28th, 2016, and will address that with them. Will ask the EPA to consider hiring a contractor to help with water testing.**
- City is currently taking 400 samples a day to Lansing for the state to test (twice daily).
- Lead levels are "way down", only a few areas in the city are still over the maximum threshold.
- Unclear when the community will feel safe drinking the water after this.
- Governor has a committee on safe drinking water that includes Mark Edwards (Virginia Tech) that will make a public announcement that it is safe to drink the water again.

BLOOD LEAD LEVEL TESTING

- Hurley Medical Center and Mott Children's are testing blood lead levels, it is unclear whether or not this will be a coordinated effort, or sporadic.

SAFE DRINKING WATER REVOLVING LOAN FUND

- Representative from the federal component of this loan program will be visiting along with other EPA officials on January 28th, 2016.
- N. Henderson had made it clear that the city could not repay any of the money that they are requesting in this loan fund, and hopes that the fund administrators would consider a 100% forgivable loan.
- **Intend to submit their executive summary by February 1st, 2016**
- City's application asks for \$25M a year for five years to remove/replace priority water infrastructure. Will specifically address where water has been sitting for longer periods of time, and right sizing the system as a whole.

DWSD WATER CONSUMPTION

- The city is consuming almost precisely how much water it estimated that it would be
- The city's water consumption rate has not decreased at all, even after the lead issue, people appear to still be consuming about the same amount of water as they did before.

MML SEARCH

- Hopes that the MML will have the position posted this morning
- The city had it posted for the last week, and have so far received 11 resumes

WATER DISTRIBUTION/RELIEF EFFORTS

- City is trying to find some different locations for the EOC to distribute water and filters, because of traffic, several of the fire stations are not good locations for this effort, and continued use of those facilities might diminish the city's capacity to respond to fires.
- City suspects that the need for bottled water will decrease in the next few months
- The city suggests that they would prefer donations and contributions to be financial, instead of sending more bottled water. Donations can be made to the Greater Flint Community Foundation through their website.

2. Litigation issues

FINANCIAL REIMBURSEMENT

- **City is submitting another letter to the treasury to ask to be reimbursed for additional legal fees.**

SHEARS V FLINT

- A revision was issued on January 11th, 2016 that negated much of the financial impacts of the original lawsuit
- City will be able to collect past due bills going all the way back to July 2012

- Rate hikes between September, 2011 and July 2012 are still an issue, because the city raised rates in a manner that was inconsistent with city charter. T. Chubb suggests that after a motion that he recently filed, he might be able to get that piece dismissed as well.
- Val Washington (attorney for plaintiff) has a meeting scheduled with the city to discuss a settlement, T. Chubb believes that it is because V. Washington feels that he no longer has a case.

KINCAID V FLINT

- T. Chubb expressed that he feels this case is very similar to Shears v Flint.
- Thinks that V. Washington is pursuing this case because it was filed earlier, and therefore it can address water rates that go back to 2006 because it was filed in 2012.

MAYS V FLINT/SNYDER

- Coordinating with the Attorney General's office, will have their "12B6's" filed in the beginning of February, 2016.

Alexandr Heimann
Municipal Analyst
Local Government Financial Services Division
Michigan Department of Treasury
Office (517) 335-2434

Stanton, Terry A. (Treasury)

From: Stanton, Terry A. (Treasury)
Sent: Wednesday, January 27, 2016 1:40 PM
To: Lindsey Smith
Subject: RE: A Fix for Flint: Groups File Federal Lawsuit to Secure Safe Drinking Water in Flint

Lindsey...

You may attribute the following to me.

We have received and are reviewing the lawsuit but we do not comment on current litigation.

That said, the state's top priority is making sure the people of Flint immediately have access to safe, clean water, and that includes reaching every home to supply water, filters, replacement filter cartridges and water testing kits. The administration is also working with independent experts on testing of the water and will continue to work with them going forward.

Thanks, Terry

Terry Stanton, Administrator
Communications Division
MI Department of Treasury
(517) 335-2167
stantont@michigan.gov

From: Lindsey Smith [mailto:lmsmi@umich.edu]
Sent: Wednesday, January 27, 2016 11:28 AM
To: Stanton, Terry A. (Treasury) <StantonT@michigan.gov>
Subject: Fwd: A Fix for Flint: Groups File Federal Lawsuit to Secure Safe Drinking Water in Flint

Hey there Terry, Happy New Year. Hope you're doing ok.

I'm just sending this along in some offhand chance Dept of Treasury wants to comment. It was only filed today so I *assume* not, but figured I should at least ask. The suit names much of the RTAB in Flint and Khouri in addition to the City of Flint. Let me know either way if you could. Thanks.

Best~

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

From: Durley, Kamari <kdurley@nrdc.org>
Date: Wed, Jan 27, 2016 at 10:20 AM
Subject: A Fix for Flint: Groups File Federal Lawsuit to Secure Safe Drinking Water in Flint
To:

<http://www.nrdc.org/media/2016/160127.asp>

FOR IMMEDIATE RELEASE

CONTACTS: Margie Kelly, NRDC, 541-222-9699, mkelly@nrdc.org or Kamari Durley, 312-651-7934

Darrell Dawsey, ACLU of Michigan, 313-806-4403, ddawsey@aclumich.org

A Fix for Flint: Groups File Federal Lawsuit to Secure Safe Drinking Water in Flint

Concerned Pastors for Social Action, Melissa Mays, ACLU of Michigan, and NRDC Ask Court to Intervene to Fix Flint's Water Crisis

FLINT, Mich. (January 27, 2016)- A coalition of local citizens and national groups filed suit today seeking federal court intervention to secure access to safe drinking water for the people of Flint, Michigan.

Alleging violations of the federal Safe Drinking Water Act, the complaint was filed in the U.S. District Court for the Eastern District of Michigan by the Natural Resources Defense Council, the ACLU of Michigan, Concerned Pastors for Social Action and Flint resident Melissa Mays.

"The water in Flint is still not safe to drink because City and State officials are violating the federal law that protects drinking water. In doing so, they are exposing the people of Flint to lead, a powerful toxin that can be devastating to young children. We are asking a federal court to step in because the people of Flint simply cannot rely on the same government agencies that oversaw the destruction of its infrastructure and contamination of its water to address this crisis," said Dimple Chaudhary, Senior Attorney with the Natural Resources Defense Council.

The lawsuit asks a federal court to compel the City and state officials to follow federal requirements for testing and treating water to control for lead and to order the prompt replacement of all lead water pipes at no cost to Flint residents. The groups and Ms. Mays also seek appropriate relief to remedy the health and medical harms to Flint residents from the lead contamination. The lawsuit is not seeking monetary damages.

"Everyone in this country deserves and expects safe drinking water, regardless of your race, economic status or zip code. The residents of Flint were stripped of their democratically elected authority and, in the name of

Pleyte, Beth (Treasury)

From: Barton, John (Treasury)
Sent: Wednesday, January 27, 2016 1:53 PM
To: Saxton, Thomas (Treasury); Stanton, Terry A. (Treasury)
Subject: FW: Media inquiry from Detroit News reporter
Attachments: DWRF project list for FY16.pdf

Just to keep you in the loop re: Flint media inquiry DEQ

From: Butler, Sonya (DEQ)
Sent: Wednesday, January 27, 2016 12:52 PM
To: Tommasulo, Karen (DEQ) <TommasuloK@michigan.gov>; Brown, Melanie (DEQ) <BrownM45@michigan.gov>; Epkey, Amy (DEQ) <epkeya@michigan.gov>
Cc: Dolehanty, Mary Ann (DEQ) <DOLEHANTYM@michigan.gov>; Sygo, Jim (DEQ) <SygoJ@michigan.gov>; Barton, John (Treasury) <BartonJ@michigan.gov>
Subject: RE: Media inquiry from Detroit News reporter

The information contained below is factual and correct.

Loans are awarded quarterly as the community directs their need for the funding. No loans have been awarded in the DWRF program to date for the current fiscal year. We expect to close on 2 loans in the second quarter. Attached is a list of what's to be funded this year.

Flint can apply immediately for DWRF funding. Staff from the Revolving Loan programs have been in recent contact with the consultant engineer Flint hired to prepare their project plan for DWRF. The amended intended use plan that DEQ will submit to EPA must include a description of the project that Flint intends to construct as well as the associated dollar amount. There is current funding available within the DWRF (as confirmed with the Michigan Finance Authority) for Flint to quickly begin work; Flint does NOT need to wait for the 2016 EPA funding to be awarded to the DEQ. EPA and DEQ have been in discussion and will work to expedite the plan and its review to get the money awarded. There is no estimate of when to expect the project plan from Flint.

From: Tommasulo, Karen (DEQ)
Sent: Wednesday, January 27, 2016 11:50 AM
To: Brown, Melanie (DEQ); Epkey, Amy (DEQ); Butler, Sonya (DEQ)
Subject: RE: Media inquiry from Detroit News reporter

Sonya,
Can you help draft some language for this inquiry as well? Thanks!

From: Brown, Melanie (DEQ)
Sent: Wednesday, January 27, 2016 11:37 AM
To: Epkey, Amy (DEQ); Tommasulo, Karen (DEQ)
Subject: Fwd: Media inquiry from Detroit News reporter

Begin forwarded message:

From: "Burke, Melissa" <mburke@detroitnews.com>
Date: January 27, 2016 at 11:35:14 AM EST
To: "Brown, Melanie (DEQ)" <BrownM45@michigan.gov>
Subject: RE: Media inquiry from Detroit News reporter

Thanks, Mel. I'm wondering whether the FY16 loans have been dispersed yet? I'd like to get an idea how soon, for instance, Flint can apply for the FY17 program and an estimate of how soon they could have that in hand to start working on, say, lead line replacement. Has the EPA indicated that it would expedite their consideration of Michigan's plan for how to spend the FY17 money?

Is there an estimate of when the project plan will be submitted by the city?

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

From: Brown, Melanie (DEQ) [<mailto:BrownM45@michigan.gov>]
Sent: Tuesday, January 26, 2016 9:54 PM
To: Burke, Melissa <mburke@detroitnews.com>
Cc: Tommasulo, Karen (DEQ) <TommasuloK@michigan.gov>
Subject: RE: Media inquiry from Detroit News reporter

Hi Melissa -

Based on a conversation with EPA, the \$80 million referenced in recent media outlets is not new funding.

The federal funds are provided each year to support the state's water infrastructure revolving loan programs. The federal funds (\$59 million for wastewater and \$27 million for drinking water) plus the \$17 million of state match and loan repayments from prior years are used to support new infrastructure loans.

In 2016, the DEQ has committed to 33 loans totaling \$240 million to various communities, including Detroit, Burton, Pontiac, and others. In addition, the DEQ received applications for 45 additional projects totaling \$247 million. Flint did not apply for funding in 2016. The totals are more than the \$80 million due to the fact of local repayments by other communities.

Staff are working with the City of Flint and consulting engineers on a project plan. The project plan will be the top priority in relation to the other projects should/once the City submits a plan.

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

From: Burke, Melissa [<mailto:mburke@detroitnews.com>]
Sent: Tuesday, January 26, 2016 4:14 PM
To: Brown, Melanie (DEQ)
Subject: Media inquiry from Detroit News reporter

Hi Mel,

I am the Washington correspondent for the Detroit News. I just left you a voicemail about a story that I'm working on about the Drinking Water Revolving Loan program.

I had a few questions about the \$80M for FY 17 mentioned by Obama last week, and how soon the DEQ may start accepting loan applications, etc, from municipalities, and what determines

whether the loans are forgivable.

I also understand that there's ongoing discussions between Flint and DEQ regarding loans that the city could use for replacing lead service lines on private property. EPA approved this last fall as a permissible use of the federal Revolving Loan Fund. I'd like to know what the status of those conversations are, and how soon the city could potentially be securing loan funds to begin such work?

Thanks,
Melissa Burke

Melissa Nann Burke
Detroit News Washington Bureau
202.662.8736 o. // 202. [REDACTED] c.

Drinking Water Revolving Fund: Fundable Range Quarterly Report - Fiscal Year: 2016 **DWRF**

2nd Quarter Projects		Binding Commitment Date: 3/14/2016		
17398-01	Burton	Genesee Co	Watermain Replacement - Phase 3	\$4,700,000
7411-01	Grand Rapids	Kent Co	Tank repairs	\$3,085,000
2nd Quarter Total		2 Projects		\$7,785,000
3rd Quarter Projects		Binding Commitment Date: 8/1/2016		
17405-01	Genesee Co Drain Commissioner	Genesee Co	Metering Project	\$5,400,000
17412-01	Detroit	DWSD	Watermain Replacement	\$9,375,000
17413-01	Detroit	DWSD	Watermain Replacement	\$6,500,000
3rd Quarter Total		3 Projects		\$21,275,000
4th Quarter Projects		Binding Commitment Date: 8/24/2016		
17408-01	Oakland Co	Pontac	Watermain Repl Meter Repl Phase 2	\$5,700,000
7410-01	Loch Alpine Sanitary Authority	Washtenaw County	Watermain Improvement Phase 2	\$1,590,000
4th Quarter Total		2 Projects		\$7,290,000
Total Fundable Range Dollars		7 Projects		\$36,350,000
Future Projects				
17407-99	Grand Rapids	Kent Co	Various future proj	\$40,815,000
17400-01	Burton	Genesee Co	Watermain Replacement - Phase 5	\$2,215,000
17399-01	Burton	Genesee Co	Watermain Replacement - Phase 4	\$2,995,000
17409-01	Oakland Co	Pontac	Watermain Repl, Meter Repl Phase 3	\$4,800,000
17414-01	Detroit	DWSD	Watermain Replacement	\$15,125,000
Total	Future Dollars Projected	5 Projects		\$65,930,000

Dempkowski, Angela (Treasury)

From: Widigan, Robert (TREASURY)
Sent: Wednesday, January 27, 2016 2:34 PM
To: Dempkowski, Angela (Treasury)
Cc: Cline, Richard (Treasury); Schafer, Suzanne K. (Treasury)
Subject: Approvals Regarding Flint WTR

Importance: High

Angela,

Here is what I did regarding approvals related to City water:

1. **April 13, 2015** – Lockwood, Andrews and Newnam for GAC Filters to assist in reducing the levels of TTHM: **\$1,601,740**
2. **December 11, 2014** – Purchase of 594 water meters from Metron-Farnier, LLC: **\$110,811**
3. **August 28, 2014** – Purchase of water testing supplies from Idexx Distribution: **\$70,000**
4. **May 30, 2014** – Approval to sell a 72" pipeline: **\$3,987,700**

If additional information is desired, please let me know.

Thanks,

Rob

Vaughn, Cary J. (Treasury)

From: Jody Lundquist <jlundquist@cityofflint.com>
Sent: Wednesday, January 27, 2016 8:26 PM
To: Vaughn, Cary J. (Treasury)
Subject: Re: 2015 User Fees
Attachments: Water Fund Revenue Report 7-1-14 through 6-30-15.xlsx

Good evening, Cary.

Please find attached a revenue report generated out of the City's accounting software. I have subtotaled line items to that tie directly to the amounts shown on the CAFR. You are likely to notice that July 2014 has negative amounts. This is a function of accruing billed revenue to the appropriate fiscal year. Just as there are negative amounts in July 2014, there are larger amounts in June 2015 as a result of the year end closing process. I have included a second tab FYE-2014-2015. The total water revenue compiled from billing reports maintained by the City's Treasury Department is highlighted in blue. The sum of these monthly billings is \$32,839,437. This figure correlates to the "Meter Water Sales" line item on the Revenue Report. There are items contained in the GL report that are not included in Treasury's FYE-2014-2015 billing summary. The amounts used to generate Treasury's summary were recorded by Treasury for internal use.

I will be in meetings from 8:30-10, 11-12 and 1-2:30. I am happy to speak with you before 8:30 and will be available at any other time aside from those specified.

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 Wed, Jan 27, 2016 at 6:14 PM, Vaughn, Cary J. (Treasury) <VaughnC2@michigan.gov> wrote:

Jody,

Would you start putting together the monthly revenue amounts for July 2014 through June 2015 for *User Charges* that would equal the audited amount of \$30,777,658 in the Water fund?

Larry, Suzanne, and I will give you a call tomorrow morning.

Thanks for all the help.

Totals from Bill Print Summary export to Level One (water bill printing company)

FISCAL YEAR 2014-2015

READ	# of Cust Billed	Water	Water	Water Service	
Date	Wtr Serv Chrgs	Consumption	Charges	Charges	Total
Jul-14	28,676	130,926	\$1,036,425.30	\$674,125.04	\$1,710,550.34
Aug-14	28,499	131,390	\$1,042,165.07	\$670,600.76	\$1,712,765.83
Sep-14	28,358	115,720	\$917,558.77	\$669,279.42	\$1,586,838.19
Oct-14	28,161	133,099	\$978,591.94	\$707,733.87	\$1,686,325.81
Nov-14	28,235	125,902	\$998,800.67	\$666,765.35	\$1,665,566.02
Dec-14	28,290	125,881	\$998,277.17	\$666,830.58	\$1,665,107.75
Jan-15	28,055	188,495	\$1,443,094.85	\$666,213.56	\$2,109,308.41
Feb-15	28,273	133,417	\$1,057,362.05	\$665,402.63	\$1,722,764.68
Mar-15	28,286	108,257	\$856,822.21	\$663,635.35	\$1,520,457.56
Apr-15	28,380	119,618	\$943,539.74	\$665,479.58	\$1,609,019.32
May-15	28,305	117,432	\$931,216.65	\$664,935.25	\$1,596,151.90
Jun-15	28,179	153,002	\$1,213,170.97	\$663,487.87	\$1,876,658.84
RESIDENTIAL	311,021	1,452,213	\$12,417,025.39	\$8,044,489.26	\$20,461,514.65
COMMERCIAL					
READ	# of Cust Billed	Water	Water	Water Service	
Date	Wtr Serv Chrgs	Consumption	Charges	Charges	Total
Jul-14	1,661	149,233	\$1,104,398.38	\$240,042.06	\$1,344,440.44
Aug-14	1,666	112,125	\$833,915.32	\$287,050.81	\$1,120,966.13
Sep-14	1,676	115,640	\$859,383.26	\$288,379.55	\$1,147,762.81
Oct-14	1,607	105,506	\$788,579.23	\$279,106.64	\$1,067,685.87
Nov-14	1,599	90,398	\$681,423.23	\$280,254.26	\$961,677.49
Dec-14	1,576	102,164	\$766,773.86	\$277,057.41	\$1,043,831.27
Jan-15	1,575	99,674	\$752,011.70	\$273,462.18	\$1,025,473.88
Feb-15	1,563	103,444	\$775,819.28	\$271,983.65	\$1,047,802.93
Mar-15	1,573	92,945	\$696,071.36	\$275,415.95	\$971,487.31
Apr-15	1,573	90,060	\$676,542.66	\$273,559.88	\$950,102.54
May-15	1,580	74,297	\$560,592.14	\$274,513.71	\$835,105.85
Jun-15	1,626	134,596	\$997,943.03	\$281,116.73	\$1,279,059.76
COMMERCIAL	17,614	1,120,849	\$9,493,453.45	\$3,301,942.83	\$12,795,396.28
TOTAL BILLED WATER REVENUE					<u>\$33,256,910.93</u>

Summary of DWSD Cost Allocations to Flint Under Various Scenarios
Flint Only

	Revenue	Rates and Charges		
	<u>Requirement</u>	<u>Fixed</u>	<u>Commodity</u>	<u>Avg Unit Cost</u>
1 Status Quo	11,461,700	357,271	12.46	19.91
2 Model Contract	9,732,100	275,517	11.16	16.90
3 Change	(1,729,600)	(81,754)	(1.30)	(3.00)
4 % Change	-15.1%	-22.9%	-10.4%	-15.1%
5 Max Day Only	9,424,700	271,010	10.72	16.37
6 Change	(307,400)	(4,507)	(0.44)	(0.53)
7 % Change	-3.3%	-1.7%	-4.1%	-3.3%
8 Allow Blending	6,302,800	182,369	10.72	16.42
9 Change	(3,121,900)	(88,641)	0.00	0.05
10 % Change	-49.5%	-48.6%	0.0%	0.3%
11 Inlay City Connections	5,800,700	170,912	9.77	15.11
12 Change	(502,100)	(11,457)	(0.95)	(1.31)
13 % Change	-8.7%	-6.7%	-9.7%	-8.7%
14 Cumulative Change	(5,661,000)	(186,359)	(2.69)	(4.80)
15 Cumulative %Change	-49.4%	-52.2%	-21.6%	-24.1%

	Assumptions					
	Avg Day	Max Day	Peak Hour	Distance	Elevation	Sales
	<i>mgd</i>	<i>mgd</i>	<i>mgd</i>	<i>miles</i>	<i>feet</i>	<i>mgd</i>
1 Status Quo	11.8	21.6	22.6	52.0	866	11.8
2 Model Contract	11.8	17.9	18.8	52.0	866	11.8
3 Max Day Only	11.8	17.9	17.9	52.0	866	11.8
4 Allow Blending	7.9	11.9	11.9	52.0	866	7.9
5 Inlay City Connections	7.9	11.9	11.9	45.2	866	7.9

Recent DWSD Water Rates to Flint

FY	Rates and Charges			Annual Change			Average
	Fixed \$/mo	Commodity \$/Mcf	Avg Unit Cost \$/Mcf	Fixed \$/mo	Commodity \$/Mcf	Avg Unit Cost \$/Mcf	Annual Change
<u>As Charged</u>							
2004		11.06	11.06				
2005		10.24	10.24			-7.4%	
2006		10.56	10.56			3.1%	
2007		11.09	11.09			5.0%	
2008		11.35	11.35			2.3%	
2009		13.07	13.07			15.2%	
2010		14.32	14.32			9.6%	
2011	182,301	14.29	16.01		-0.2%	11.8%	
2012	443,096	13.36	17.53	143.1%	-6.5%	9.5%	
2013	707,000	12.46	19.12	59.6%	-6.7%	9.1%	6.3%
<u>Hypothetical Model Contract</u>							
2004		11.06	11.06				
2005		10.24	10.24			-7.4%	
2006		10.56	10.56			3.1%	
2007		11.09	11.09			5.0%	
2008		11.35	11.35			2.3%	
2009		13.07	13.07			15.2%	
2010		13.96	13.96			6.8%	
2011	145,918	13.74	15.28		-1.6%	9.5%	
2012	378,968	12.58	16.57	159.7%	-8.4%	8.4%	
2013	597,323	11.63	17.93	57.6%	-7.6%	8.2%	5.5%

TFG

Recent DWSD Water Rates to Flint

FY	Rates and Charges			Annual Change			Average
	Fixed \$/mo	Commodity \$/Mcf	Avg Unit Cost \$/Mcf	Fixed \$/mo	Commodity \$/Mcf	Avg Unit Cost \$/Mcf	Annual Change
<i>As Charged</i>							
2004		11.06	11.06				
2005		10.24	10.24			-7.4%	
2006		10.56	10.56			3.1%	
2007		11.09	11.09			5.0%	
2008		11.35	11.35			2.3%	
2009		13.07	13.07			15.2%	
2010		14.32	14.32			9.6%	
2011	182,301	14.29	16.01		-0.2%	11.8%	
2012	443,096	13.36	17.53	143.1%	-6.5%	9.5%	
2013	707,000	12.46	19.12	59.6%	-6.7%	9.1%	6.3%
<i>Hypothetical Model Contract - Flint Only</i>							
2004		11.06	11.06				
2005		10.24	10.24			-7.4%	
2006		10.56	10.56			3.1%	
2007		11.09	11.09			5.0%	
2008		11.35	11.35			2.3%	
2009		13.07	13.07			15.2%	
2010		11.73	11.73			-10.3%	
2011	70,060	12.45	13.89		6.1%	18.4%	
2012	175,882	11.47	15.08	151.0%	-7.9%	8.6%	
2013	272,923	10.65	16.24	55.2%	-7.1%	7.7%	4.4%

TFG

Recent DWSD Water Rates to Flint

FY	Rates and Charges			Annual Change			Average
	Fixed \$/mo	Commodity \$/Mcf	Avg Unit Cost \$/Mcf	Fixed \$/mo	Commodity \$/Mcf	Avg Unit Cost \$/Mcf	Annual Change
<i>As Charged</i>							
2004		11.06	11.06				
2005		10.24	10.24			-7.4%	
2006		10.56	10.56			3.1%	
2007		11.09	11.09			5.0%	
2008		11.35	11.35			2.3%	
2009		13.07	13.07			15.2%	
2010		14.32	14.32			9.6%	
2011	182,301	14.29	16.01		-0.2%	11.8%	
2012	443,096	13.36	17.53	143.1%	-6.5%	9.5%	
2013	707,000	12.46	19.12	59.6%	-6.7%	9.1%	6.3%
<i>Hypothetical Model Contract - Flint Only @ Imlay</i>							
2004		11.06	11.06				
2005		10.24	10.24			-7.4%	
2006		10.56	10.56			3.1%	
2007		11.09	11.09			5.0%	
2008		11.35	11.35			2.3%	
2009		13.07	13.07			15.2%	
2010		11.16	11.16			-14.6%	
2011	65,919	10.88	12.23		-2.5%	9.6%	
2012	165,275	9.89	13.28	150.7%	-9.1%	8.6%	
2013	255,580	9.09	14.32	54.6%	-8.1%	7.8%	2.9%

STATE OF MICHIGAN CONTRACT NO. 271N3200089

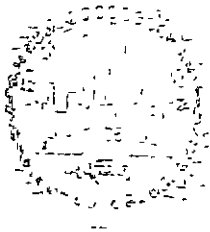
CITY OF FLINT WATER SUPPLY ASSESSMENT

State of Michigan, Department of Treasury

Appendix B: Cost Worksheets

DRAFT - SUBJECT TO CHANGE

*Provided by KWA, FY 2017 totals \$1,055,760, FY 2018 totals \$1,124,451
 **Provided by KWA and City of Flint
 ***8% due May 1 and November 1, Local Units must make debt service payments 30 days prior to due date, Flint responsible for 34.2% of KWA debt service
 ****Interest capitalized through November 1, 2016



CITY OF FLINT

Dr. Karen W. Weaver
Mayor

January 27, 2016

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

Re: *Water Related Civil Litigation*

Dear Treasurer Khouri:

In our letter of December 10, 2015, we requested the State of Michigan's financial assistance with the cost of defending the *Shears, et al v City of Flint, et al* lawsuit. As stated in that letter, if plaintiffs were to be successful in that litigation, the financial impact on the City of Flint (City) would be catastrophic.

As you are aware, the City hired the law firm of Miller Canfield to aid in its defense. Since the firm became involved defending this suit, the City has won favorable rulings before Circuit Court Judge Archie Hayman. These rulings included an amendment scaling back the scope of the August 17, 2015, preliminary injunction. Prior to this ruling the City was forecasting financial insolvency as early as this summer. Now, the City is permitted to charge water and sewer rates consistent with the Revenue Bond Act and the biennial budget adopted by former Emergency Manager Gerald Ambrose. Additionally, Judge Hayman has acknowledged that the City is not obligated to repay 15.7 million dollars from its general fund to its water and sewer fund. Put simply, while the costs to retain Miller Canfield have not been insubstantial, it has been money well spent.

These rulings are clear victories for the City. They are a key step in ensuring Flint's overall financial health and stability – both now and in the future. While these triumphs are important, the City has also moved to have the case dismissed. Although Judge Hayman denied the motion, the City believes it has strong grounds for appellate review. That appeal is currently pending before the Michigan Court of Appeals, and the City expectantly awaits a favorable ruling.

Despite the successes in *Shears*, the City must still overcome significant economic challenges. Our City is confronting the most dire water related emergency faced by a municipality in recent memory. This is not hyperbole. Both Governor Snyder and President Obama have declared states of emergency in the City because of the water. What is more, our City's infrastructure, reputation, and people have been irreparably damaged.

As a result of this situation, the City is facing a significant amount of civil litigation. Several lawsuits have already been filed against the City. These include two class action suits. The first, *Mays v Snyder, et al* was brought in the Eastern District of Michigan; the second, *Collins v Snyder*, was brought against the City in Genesee County Circuit Court. The City expects to incur significant legal

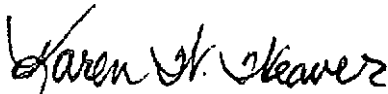
fees and costs in defending these two suits. Moreover, we believe these suits are only the first wave of suits to be filed. It is very likely that additional plaintiffs will file suits against the City in the future.

As is the case with the *Shears* litigation, if the plaintiffs in any water related lawsuits are successful, the financial impact on the City would be catastrophic. Certainly, the financial progress and accomplishments achieved by emergency managers over the last four years are at risk. Avoiding this catastrophic result must be a priority. And, given the potential liability posed by these cases all funds expended on competent, qualified legal counsel will be money well spent.

We again acknowledge that under Public Act 436, the State does not assume liability for the actions of an emergency manager. However, without State assistance, the City simply cannot cope with the voluminous number of lawsuits it will soon be facing. Our City needs the resources and expertise of proven legal counsel, such as Miller Canfield. Unfortunately, the City cannot afford these costs. Therefore, we are asking the State to provide the necessary funding for outside legal counsel.

The City and its residents have sacrificed much to attain fiscal stability and end the financial emergency. Our budget, which is already thin, has been stretched to the breaking point by the water crisis. Again, we need the State's help. We would ask that you provide us with the financial assistance necessary to deal with all water related litigation both now and in the future.

Respectfully submitted,



Dr. Karen W. Weaver
Mayor



Natasha L. Henderson
City Administrator

Workman, Wayne (TREASURY)

From: Workman, Wayne (TREASURY)
Sent: Thursday, January 28, 2016 8:42 AM
To: Saxton, Thomas (Treasury); Steckelberg, Larry (TREASURY); Schafer, Suzanne K. (Treasury)
Cc: Pleyte, Beth (Treasury)
Subject: RE: Flint numbers

I am available Suzanne at JEC meeting. Larry is available

Wayne L. Workman
Deputy State Treasurer
Michigan Department of Treasury

From: Saxton, Thomas (Treasury)
Sent: Thursday, January 28, 2016 8:08 AM
To: Workman, Wayne (TREASURY) ; Steckelberg, Larry (TREASURY) ; Schafer, Suzanne K. (Treasury)
Cc: Pleyte, Beth (Treasury)
Subject: RE: Flint numbers

Do you guys have time to talk this morning ?

From: Workman, Wayne (TREASURY)
Sent: Wednesday, January 27, 2016 10:35 PM
To: Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Schafer, Suzanne K. (Treasury) <SchaferS7@michigan.gov>
Subject: Re: Flint numbers

Let's talk about what we really need to know

Sent from my iPhone

On Jan 27, 2016, at 6:18 PM, Steckelberg, Larry (TREASURY) <SteckelbergL@michigan.gov> wrote:

Tom:

I talked with Cary to recap our questions:

- How accurate are the numbers ?
- Do we have what we need to generate numbers for bill forgiveness?
- Does she need help and what kind of help?

I expect we will be talking with Jody in the morning to see if reaching back to the audited July 2014-August 2015 numbers will create a baseline on monthly billings. We can know what was billed in October or November of last year, but we have to project what will be billed in February going forward. It may be that the actual billings in the previous fiscal year can be our guide. Those were actually billed and that helps us avoid the need for speculation. More to follow in the morning and we can meet to discuss the numbers when you have time.

Larry Steckelberg
Division Administrator
Property Services Division

Workman, Wayne (TREASURY)

From: Steckelberg, Larry (TREASURY)
Sent: Thursday, January 28, 2016 8:50 AM
To: Workman, Wayne (TREASURY); Saxton, Thomas (Treasury)
Cc: Schafer, Suzanne K. (Treasury)
Subject: FW: Water Bill Relief Strategy
Attachments: image003.jpg

Forwarding. Was the Treasurer referencing specific information that we are not getting?

From: Jody Lundquist [mailto:jlundquist@cityofflint.com]
Sent: Thursday, January 28, 2016 8:47 AM
To: Steckelberg, Larry (TREASURY) ; Vaughn, Cary J. (Treasury)
Subject: Fwd: Water Bill Relief Strategy

Good morning, Gentleman.

I'm not sure what is being communicated on the State's side, but yesterday in a meeting between Governor Snyder, Treasurer Khouri, Mayor Weaver and City Administrator Henderson, the Treasurer informed the Governor that he is not receiving information from the City.

I believe that I have been incredibly timely in providing complete, accurate, and quality information as soon as it is requested by Treasury. Although I'm obviously dismayed by his comment, I continue to strive to provide all necessary information to ensure that the City is able to obtain the financial resources it so desperately needs.

I kindly ask that you assist in notifying all relevant parties that we are actively working together and if there is information still necessary that you simply let me know. Please let me know if there is any area that may be improved to facilitate this effort.

Thanks,

Jody N. Lundquist
Chief Financial Officer
City of Flint
jlundquist@cityofflint.com
(810)237-2441 direct

Begin forwarded message:

From: "Davidoff, Mark (US - Detroit)" <mdavidoff@deloitte.com>
Date: January 28, 2016 at 6:52:36 AM EST
To: "nhenderson@cityofflint.com" <nhenderson@cityofflint.com>, Jody Lundquist <jlundquist@cityofflint.com>
Cc: "Woo, Rhoda H (US - New York)" <rwoo@deloitte.com>, "Schwerdtfeger, Kathryn (US - Austin)" <kschwerdtfeger@deloitte.com>
Subject: Water Bill Relief Strategy

Natasha / Jody –

As I will report during our meeting this morning, the Governor's office has requested that we undertake an analysis to provide critical information by the close of business on Friday to position the options regarding water bill relief.

We would like to meet at 9:30am after the Flint Forward Committee meeting.

Mark Davidoff
Michigan Managing Partner
Deloitte LLP

Office: 313-396-3317
Mobile: 248-705-1996
200 Renaissance Center
Detroit, Michigan 48243-1895



>> *Driving towards Detroit 2030* Follow me on Twitter: @DavidoffDTW2030

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

Pleyte, Beth (Treasury)

From: Kester K. So <KSo@dickinson-wright.com>
Sent: Thursday, January 28, 2016 9:37 AM
To: Saxton, Thomas (Treasury); Donner, Lee (ldonner@firstsw.com); Anne Burger Entrekin (Anne.BurgerEntrekin@firstsw.com)
Subject: RE: Use of SRF to replace lead service lines CONFIDENTIAL

I don't know why it wasn't dated. I believe there are communications between EPA and DEQ where EPA estimates the timeframe for the letter. I may be mistaken, but I think EPA provided the letter in response to an inquiry from DEQ. I'll check.

Kester K. So Member

215 S Washington Square Phone 517-487-4722
Suite 200 Fax 517-487-4700
Lansing MI 48933 Email KSo@dickinsonwright.com
[Profile](#) [V-Card](#)

DICKINSON WRIGHT PLLC

MICHIGAN ARIZONA KENTUCKY NEVADA OHIO TENNESSEE WASHINGTON D.C. TORONTO

From: Saxton, Thomas (Treasury) [mailto:SaxtonT@michigan.gov]
Sent: Thursday, January 28, 2016 8:36 AM
To: Kester K. So; Donner, Lee (ldonner@firstsw.com); Anne Burger Entrekin (Anne.BurgerEntrekin@firstsw.com)
Subject: RE: Use of SRF to replace lead service lines CONFIDENTIAL

I may have asked before; is there a reason this would not have had a date ? Do we know for sure it was 2012-13?

From: Kester K. So [mailto:KSo@dickinson-wright.com]
Sent: Thursday, January 21, 2016 1:31 PM
To: Donner, Lee (ldonner@firstsw.com) <ldonner@firstsw.com>; Anne Burger Entrekin (Anne.BurgerEntrekin@firstsw.com) <Anne.BurgerEntrekin@firstsw.com>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>
Subject: Use of SRF to replace lead service lines CONFIDENTIAL

Here is a copy of the EPA memo. It may have been issued in the 2012 to 2013 time frame.

Kester K. So Member

215 S. Washington Square Phone 517-487-4722
Suite 200 Fax 517-487-4700
Lansing MI 48933 Email KSo@dickinsonwright.com
[Profile](#) [V-Card](#)

DICKINSON WRIGHT PLLC

MICHIGAN ARIZONA KENTUCKY NEVADA OHIO TENNESSEE WASHINGTON D.C. TORONTO



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 MDH&E, 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/ml-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.

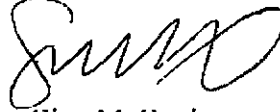
For these reasons, the EPA's Order requires the state and the city to take a number of actions, summarized below, to ensure that Flint's drinking water system is re-optimized for corrosion control, that the city establishes the capacity to safely and effectively operate its drinking water system, and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

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

Stanton, Terry A. (Treasury)

From: Bolger, Matt (MSP)
Sent: Friday, January 29, 2016 8:54 AM
To: Hausler, Jeanne (MDARD); Stanton, Terry A. (Treasury)
Subject: Fw: GIS story
Attachments: FLINT GIS V2.docx; ATT00001.htm

Thank you!

From: Banner, Shanon (MSP)
Sent: Thursday, January 28, 2016 5:33 PM
To: Bolger, Matt (MSP)
Cc: Hawks, Trevor (MSP)
Subject: FW: GIS story

Matt,

This can be our good news story for tomorrow. The discussion today was to turn it into a news release and to also make it a web/social media story. I would recommend assigning this to Frank Provenzano tomorrow to prep it as a news release, and then ask Ryan Gajewski to draft some tweets and Facebook posts.

It will need approval from DEQ and MDHHS, as well as the State Director.

I've copied in Trevor because I think Meegan asked him to take some photos previously.

Thanks,
Shanon

From: Brown, Melanie (DEQ)
Sent: Thursday, January 28, 2016 3:17 PM
To: Banner, Shanon (MSP)
Subject: Fwd: GIS story

Begin forwarded message:

From: "Holland, Meegan (GOV)" <HollandM2@michigan.gov>
Date: January 28, 2016 at 3:15:47 PM EST
To: "Brown, Melanie (DEQ)" <BrownM45@michigan.gov>, "Moon, Jason (LARA)" <moonj@michigan.gov>, "Minicuci, Angela (DHHS)" <MinicuciA@michigan.gov>
Subject: GIS story

Meegan Holland
Director of Communications for Gov. Rick Snyder
Office: 517-335-6397
Mobile: 517-420-2714

When state experts sat down with Flint planners two days after Gov. Rick Snyder declared a water emergency, they asked about the locations of lead water pipes connecting to residents' homes.

The information was mostly there, on paper, filed in a large vault. There are hundreds of hand-drawn plat maps from the 1980s and hand-written notes on thousands of cards about updates to home plumbing systems.

Over the years, a dedicated Flint city employee has been translating inspectors' handwritten notes about plumbing updates into an Excel spreadsheet. But like many cities with limited budgets, Flint doesn't have a robust staff converting the information from paper to searchable data.

All that paper is now being digitized so the State Emergency Operations Center can figure out where safe water is needed.

Five GIS analysts are working on the project – including one from FEMA, which entered the picture after President Obama granted Gov. Snyder's request for a federal emergency on Jan. 16.

Mapping infrastructure to this depth of detail is highly unusual, said James Tchorzynski, manager of the GIS analysts for the Emergency Management and Homeland Security Division of the Michigan State Police.

In a disaster like severe flooding, "You're used to watching the water rise and you count the houses. Here, it's all underground."

Once the maps are in digital format, they're synched with 2015 parcel data. Then they can be overlaid with Census information and infrastructure information, allowing analysts to pinpoint which inhabited homes have lead service lines.

That has been the job of Scott Bailey, a FEMA GIS analyst, for the past several days.

"The state is doing a great job of collecting the data," said Scott Bailey, a GIS data analyst with FEMA helping with the mapping project. "That's going to be a success story that comes out of this. They're able to upload large amounts of data in a matter of hours."

Credit goes to the ArcGIS Online app that the state is using to upload home data in real time.

Teams going door to door to deliver water supplies to residents are armed with iPads and the app, which feeds into the GIS system, noting whether there are children in the household and which ones have been provided with bottled water, a water test kit, a water filter and replacement cartridges.

//// GIVE UPDATED NUMBERS HERE – HOW MANY PARCELS 56,254, HOW MANY HOMES 38,144, HOW MANY SO FAR WITH LEAD SERVICE LINES? 3,600 OUT OF 26,000??////

The app information also helps Nikkia Anderson, a Michigan State Police GIS data analyst who is determining the number of inhabited homes in a city severely affected by blight.

From the old data, it appears there may be a street full of residents, but "sometimes when we look at the houses on Google street view, the homes are clearly vacant," she said.

When the state and FEMA complete this project, the information will be shared with the city. But it still may not be perfect because “on some homes, it’s unknown what kind of service line there is,” says Anderson. “It could be copper, iron, lead – we have no idea.”

The state GIS analysts have worked on multiple emergencies, including the Enbridge oil spill, the flooding in SE Michigan and in Grand Rapids, and the high wind storm in Leelanau and Grand Traverse County last summer.

“This one is different, in its duration and intensity,” Anderson says. “In the past, we’d get requests for a couple GIS maps to use as a visual aid. This time, it’s ‘Tell us where these people are so we can help them.’ Our mission is much more critical.”

Pleyte, Beth (Treasury)

From: Kester K. So <KSo@dickinson-wright.com>
Sent: Thursday, January 28, 2016 12:48 PM
To: Saxton, Thomas (Treasury)
Subject: FW: Use of SRF to replace lead service lines CONFIDENTIAL SUBJECT TO ATTORNEY_CLIENT PRIVILEGE
Attachments: Eligibility of Lead Service Line Replacement MEMO 2012-2013.pdf

See email chain below. This was the response to an inquiry by DEQ to EPA about using Drinking Water to replace lead service lines. I have not sent this to Lee or Ann—didn't want them to be pulled into the whole EPA/DEQ issue.

Kester K. So Member

215 S. Washington Square Phone 517-487-4722
Suite 200 Fax 517-487-4700
Lansing MI 48933 Email @dickinsonwright.com
 

DICKINSON WRIGHT PLLC

MICHIGAN ARIZONA KENTUCKY NEVADA OHIO TENNESSEE WASHINGTON D.C. TORONTO

From: Cossa, Laura [mailto:cossa.laura@epa.gov]
Sent: Thursday, October 01, 2015 12:48 PM
To: Butler, Sonya (DEQ) <BUTLERS2@michigan.gov>
Cc: Barton, John (Treasury) <BartonJ@michigan.gov>; Bielanski, Andrew <bielanski.andrew@epa.gov>; Baltazar, Debbie <baltazar.debbie@epa.gov>; Crooks, Jennifer <crooks.jennifer@epa.gov>; Marquardt, Steve <marquardt.steve@epa.gov>
Subject: RE: Use of SRF to replace lead service lines

Hi Sonya,

Because it is an eligibility question, there is probably no specific regulation to address it, but HQ issued a memo (attached). Although is not dated, it was still draft in 2012, so is probably 2012/2013. We may be able to find a more precise date from HQ. Just FYI, there is a reference on page 2 to a 2003 memo – the link to the 2003 memo is: http://water.epa.gov/grants_funding/dwsrf/upload/2008_04_10_dwsrf_memos_memo_dwsrf_policy_2003-07-25.pdf.

I hope this helps.

Please let me know if you have any questions.

Thanks.

Laura

From: Butler, Sonya (DEQ) [mailto:BUTLERS2@michigan.gov]
Sent: Wednesday, September 30, 2015 12:18 PM
To: Cossa, Laura; Marquardt, Steve
Cc: Barton, John (Treasury)
Subject: FW: Use of SRF to replace lead service lines

Laura

Could you tell me where to find the federal law that allows for work to be done on private property (see original note down below)? John Barton from Treasury wants this information and I know you can find it faster than I.

From: Wyant, Dan (DEQ)
Sent: Monday, September 28, 2015 4:49 PM
To: Pallone, Maggie (DEQ); Busch, Stephen (DEQ); Butler, Sonya (DEQ)
Cc: Wurfel, Brad (DEQ)
Subject: FW: Use of SRF to replace lead service lines

Let's discuss.

Dan Wyant, Director
Department of Environmental Quality
517-284-6700 (New Number)

From: Hedman, Susan [<mailto:hedman.susan@epa.gov>]
Sent: Monday, September 28, 2015 4:36 PM
To: Wyant, Dan (DEQ)
Subject: Use of SRF to replace lead service lines

Hi Dan –

Here's a quick answer to your question about using SRF to replace lead service lines. Under the federal SRF program, SRF funds can be used to replace lead service lines on both public and private property. (We don't know if Michigan rules allow for the use of SRF funding on private property, but presumably you know whether that's the case.) If you have additional questions, your staff can follow up with Steve Marquardt, Chief of the R5 Water Division State and Tribal Program Section. His number is 312-353-3214.

Please keep me posted on the time for the event later this week.

Thanks,

Susan

Susan Hedman
Region 5 Administrator/Great Lakes National Program Manager
U.S. Environmental Protection Agency
77 West Jackson Blvd - 19th Floor
Chicago, Illinois 60604-3590

The information contained in this e-mail, including any attachments, is confidential, intended only for the named recipient(s), and may be legally privileged. If you are not the intended recipient, please delete the e-mail and any attachments, destroy any printouts that you may have made and notify us immediately by return e-mail.

Neither this transmission nor any attachment shall be deemed for any purpose to be a "signature" or "signed" under any electronic transmission acts, unless otherwise specifically stated herein. Thank you.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

MEMORANDUM

SUBJECT: Eligibility of Replacement of Lead Service Lines on Private Property Under the DWSRF.

FROM: Joanne Hogan
Attorney- Advisor *Joanne Hogan*
Civil Rights and Financial Law Office
Office of General Counsel

THROUGH: Wendel Askew *10/2/01*
Assistant General Counsel
Civil Rights and Financial Law Office
Office of General Counsel

Ken Redden *10/2/01*
Deputy Associate General Counsel
Civil Rights and Financial Law Office
Office of General Counsel

TO: Peter Shanaghan
Team Leader
Drinking Water State Revolving Fund Team
Office of Ground Water and Drinking Water, Office of Water

Question Presented.

You have asked whether financial assistance from a State's Drinking Water State Revolving Loan Fund can be used by eligible entities to fund projects that involve replacing lead service lines that may be on private property and that connect to private dwellings.

Brief Answer

We believe that lead service line projects, regardless of the ownership of the property on which the pipe is placed, may be funded by a State's DWSRF so long as the loans are made to an eligible entity and all other requirements of the DWSRF are met.

Analysis

The statute and the regulatory provisions governing the use of State DWSRF funds, though defining which entities may receive funds, do not require the Public Water System to have control over all portions of a project that is funded by the DWSRF. Congress gave EPA's Administrator the clear authority to determine which projects would be eligible under §1452: "Financial assistance. . . may be used. . . only for expenditures of a type or category which the Administrator has determined, through guidance, will facilitate compliance with national primary drinking water regulations." PHSA §1452 (a)(2). The only broad statutory limitations on the types of projects that cannot be funded are projects which include monitoring, operation, or maintenance expenditures, or projects for the acquisition of real property unless the purchase is made from a willing seller and the acquisition is integral to the project.

40 CFR §35.3520 (b)(2) sets forth the categories of projects that can be funded by a DWSRF. This provision includes the transmission and distribution of water to be a category of eligible projects. Specifically, the regulation provides examples of such projects to include: "installation or replacement of transmission and distribution pipes to improve water pressure to safe levels or to prevent contamination caused by leaks or breaks in the pipes." See 40 CFR §35.3520 (2)(ii).

Lead pipes can contaminate water at any point, including on its way to a private home. Allowing a public water system to use its funds to replace such pipes is consistent with this allowable category of projects, and is similarly consistent with the overall health protections of the Safe Drinking Water Act. See PHSA 1452 (a)(1)(A). Note that if a Public Water System wishes to purchase and retain an easement so that it maintains control of such infrastructure, that purchase is authorized as well: "Funds shall not be used for real property or interests therein unless the acquisition is integral to the project authorized... and the purchase is from a willing seller. . ." PHSA 1452(a)(2).

This determination that replacement of lead pipes on privately owned property is an eligible project cost so long as it otherwise complies with the PHSA is consistent with prior approved eligible projects, such as water efficiency projects, that do not require all elements of a project to be under the control of a Public Water System. In a Memorandum dated July 25, 2003, then Assistant Administrator for Water G. Tracy Mehan III informed Water Division Directors in the regions that projects such as the installation or retrofit of plumbing fixtures and appliances, installation of water meters, and implementation of incentive programs to conserve water, such as rebates or conservation rate structures were all eligible projects under the DWSRF. Therefore, so long as the assistance is given to an eligible entity, and the project otherwise meets the requirements of the DWSRF, the project may be funded regardless of ownership or control of the resulting infrastructure.

Stanton, Terry A. (Treasury)

From: Bolger, Matt (MSP)
Sent: Friday, January 29, 2016 9:52 AM
To: Stanton, Terry A. (Treasury)
Subject: Fw: NEWS RELEASE - Water Resource Sites Open Daily from 9 a.m. - 9 p.m.
Attachments: News Release - Water Resources Open Daily.pdf

Terry,

Can you start work on tonight's press release?

I'm thinking we can add information about the GIS release we are doing and tie it into the water response team paragraphs that we include every night.

I'm wide open though.

From: JICNews
Sent: Thursday, January 28, 2016 8:07 PM
To: JICNews
Subject: NEWS RELEASE - Water Resource Sites Open Daily from 9 a.m. - 9 p.m.

Water Resource Sites Open Daily from 9 a.m. – 9 p.m.

Audio Available from Governor Snyder's Tele-Town Hall

FOR IMMEDIATE RELEASE

January 28, 2016

Release #: 21

Flint, Mich. – As efforts continue to ensure Flint residents have safe drinking water, Governor Snyder last night held a live tele-town hall where he and other state officials fielded questions from residents on the state's actions. A recording of the conversation can be heard [here](#).

One of the most visible aspects of the response continues to be the distribution of bottled water, filters, water replacement cartridges and water testing kits by National Guard members at five of the city's fire stations.

As part of the distribution process, residents seeking water filters and replacement cartridges are asked to share their address. This data is being collected and mapped in real-time to assist with long-term recovery and help water response teams know where to focus their door-to-door efforts. It is important to note that no resident will be denied resources if an address is not provided, and a photo identification is not required.

Since Jan. 9, 2016, the following resources have been distributed to residents, both at the water resource sites and by water response teams:

- 207,055 cases of water

- 97,342 water filters
- 30,801 water testing kits

Water response teams also continued door-to-door delivery efforts. Today, 125 American Red Cross and other volunteers visited 1,768 homes providing free bottled water, filters, water replacement cartridges and water testing kits.

Earlier this afternoon, a coalition of public-private partners announced Flint's coordinated recycling program for empty water bottles and used water filter cartridges. Residents can learn more [here](#).

Water resource sites remain open daily from 9 a.m. to 9 p.m. and are located at:

Fire Station #1 (also a water bottle recycling site)
310 East 5th St.

Fire Station #3
1525 Martin Luther King Ave.

Fire Station #5 (also a water bottle recycling site)
3402 Western Rd.

Fire Station #6
716 West Pierson Rd.

Fire Station #8 (also a water bottle recycling site)
202 East Atherton Rd.

All water filters distributed by the State of Michigan are [certified by NSF International](#) for lead reduction. Individuals wishing to verify that a specific filter is NSF-certified can do so via the [NSF website](#).

The State of Michigan continues to coordinate response efforts in partnership with the city of Flint, Genesee County and local community organizations.

Additional information is available at www.michigan.gov/flintwater, by calling 211 or visiting www.helpforflint.com.

###

NOTE: ALL MEDIA INQUIRIES ARE BEING HANDLED BY THE JOINT INFORMATION CENTER AT 888-EMD-TODAY (888-363-8632). FOR FLINT WATER EMERGENCY DONATION INFORMATION, GO TO www.helpforflint.com.



STATE OF MICHIGAN JOINT INFORMATION CENTER

NEWS RELEASE

FOR IMMEDIATE RELEASE

January 28, 2016

Release #: 21

Water Resource Sites Open Daily from 9 a.m. – 9 p.m.

Audio Available from Governor Snyder's Tele-Town Hall

Flint, Mich. – As efforts continue to ensure Flint residents have safe drinking water, Governor Snyder last night held a live tele-town hall where he and other state officials fielded questions from residents on the state's actions. A recording of the conversation can be heard [here](#).

One of the most visible aspects of the response continues to be the distribution of bottled water, filters, water replacement cartridges and water testing kits by National Guard members at five of the city's fire stations.

As part of the distribution process, residents seeking water filters and replacement cartridges are asked to share their address. This data is being collected and mapped in real-time to assist with long-term recovery and help water response teams know where to focus their door-to-door efforts. It is important to note that no resident will be denied resources if an address is not provided, and a photo identification is not required.

Since Jan. 9, 2016, the following resources have been distributed to residents, both at the water resource sites and by water response teams:

- 207,055 cases of water
- 97,342 water filters
- 30,801 water testing kits

Water response teams also continued door-to-door delivery efforts. Today, 125 American Red Cross and other volunteers visited 1,768 homes providing free bottled water, filters, water replacement cartridges and water testing kits.

Earlier this afternoon, a coalition of public-private partners announced Flint's coordinated recycling program for empty water bottles and used water filter cartridges. Residents can learn more [here](#).

MORE

Water resource sites remain open daily from 9 a.m. to 9 p.m. and are located at:

Fire Station #1 (also a water bottle recycling site)
310 East 5th St.

Fire Station #3
1525 Martin Luther King Ave.

Fire Station #5 (also a water bottle recycling site)
3402 Western Rd.

Fire Station #6
716 West Pierson Rd.

Fire Station #8 (also a water bottle recycling site)
202 East Atherton Rd.

All water filters distributed by the State of Michigan are certified by NSF International for lead reduction. Individuals wishing to verify that a specific filter is NSF-certified can do so via the NSF website.

The State of Michigan continues to coordinate response efforts in partnership with the city of Flint, Genesee County and local community organizations.

Additional information is available at www.michigan.gov/flintwater, by calling 211 or visiting www.helpforflint.com.

###

NOTE: ALL MEDIA INQUIRIES ARE BEING HANDLED BY THE JOINT INFORMATION CENTER AT 888-EMD-TODAY (888-363-8632). FOR FLINT WATER EMERGENCY DONATION INFORMATION, GO TO www.helpforflint.com.

Robert, Carla M. (Treasury)

From: McBride, Bill (GOV) <mcbrideb@michigan.gov>
Sent: Friday, January 29, 2016 4:59 PM
To: Khouri, Nick (TREASURY)
Subject: FW: Flint, MI Amendment
Attachments: Flint MI emergency relief section by section summary.docx; Flint MI emergency relief 5.docx

From: Herrgott, Alex (EPW) [mailto:Alex_Herrgott@epw.senate.gov]
Sent: Friday, January 29, 2016 12:51 PM
To: Bodine, Susan (EPW) <Susan_Bodine@epw.senate.gov>; McBride, Bill (GOV) <mcbrideb@michigan.gov>
Subject: FW: Flint, MI Amendment

Attached is the summary and the language we are working with. If you want to hope on a quick call I can walk you all through it real quick.

Bottom line

- Up to \$640m in loans paid back in 35 years, at subsidy cost to US Treasury of \$64m paid for out the Leaking Underground Storage Tank Trust Fund
- Up \$160 in SRF loans paid back in 5 years paid for out the Leaking Underground Storage Tank Trust Fund
- Authorization for \$20m in loan forgiveness for the State to offer to the City of Flint
Instead of the \$200m for the Centers for Excellence on Lead Exposure, directs Agency for Toxic Substance and Disease Registry ("ATSDR") to establish a lead exposure registry for Flint, Michigan and to provide health consultations for the citizens of Flint. (I will point out that even if the loans are amendable to the Ds, this Centers for Excellence is a major Stabenow priority and will be what she says she has to have). We have engaged with the HELP Committee on working an HHS/nutrition solution that may serve as an alternative.

Alex
202-224-8260

Flint, Michigan Emergency Disaster Relief-summary.

- (a) Finding of Emergency. The intent of the emergency finding is to distinguish the situation in Flint from every other city with infrastructure issues.

- (b) State Revolving Loan Fund Assistance

Under current law, the federal government capitalizes state drinking water revolving loan funds to allow states to give loans to drinking water systems for infrastructure improvements.

- (1) Under current law, the Safe Drinking Water Act authorizes forgiveness of principal for disadvantaged communities. This paragraph gives the State the authority to forgive the approximately \$20 million in outstanding loans to Flint from the state drinking water revolving loan fund.
 - (2) Under current law, states provide loans to cities for drinking water infrastructure. This paragraph authorizes State of Michigan to provide \$160,000,000 in loans from the state drinking water revolving loan fund to the City of Flint, Michigan, for the purpose of addressing lead in drinking water, including repair and replacement of public and private drinking water infrastructure. This assistance may include principal forgiveness.
- (c) Water Infrastructure Financing.
 - (1) This paragraph authorizes EPA to make use of the new WIFIA authority enacted as part of WRRDA 2014, to make secured loans to the State of Michigan to provide assistance to Flint. Under current law, a WIFIA loan may only cover 49% of project costs. This paragraph allows the loan to cover up to 80% of reasonably anticipated project costs.
 - (2) This paragraph makes it clear that any remaining project costs may be paid for with an SRF loan, as is the intent of current law.

- (d) Funding.

- (1) Additional SRF Capitalization Grant.
 - (A) This subparagraph makes \$160,000,000 [transferred from the Leaking Underground Storage Trust Fund] available to EPA to provide an additional grant to Michigan to capitalize its state drinking water revolving loan fund.
 - (B) This subparagraph requires the state to reimburse that additional grant.
 - (C) This subparagraph uses the reimbursement to create a new emergency infrastructure fund.

(2) WIFIA Funding.

This paragraph provides \$64,000,000 [transferred from the Leaking Underground Storage Tank Trust Fund] to EPA to allow it to make secured loans to Michigan under the WIFIA program. Because these secured loans are treated by Treasury as accounts receivable, only the credit/default risk scores. A municipal project of this nature, secured by the state of Michigan as obligor will likely yield a much lower credit risk assessment from OMB when loan is processed than 10%; however we are establishing a 10% default risk, which will support loans of up to \$640,000,000. If the credit risk is less (as is likely), then less than \$64,000,000 is needed to support \$640,000,000 in loans and the remainder can be returned to the Leaking Underground Storage Tank Trust Fund.

(e) Emergency Infrastructure Fund.

This subsection creates an “Emergency Water Infrastructure Fund,” with the \$160,000,000 paid back by Michigan. If the emergency fund is not used within 10 years, the balance of the fund is returned to the Leaking Underground Storage Tank Trust Fund.

(f) Offset.

The offset for the assistance provided in this section is a transfer from the Leaking Underground Storage Tank Trust Fund.

(g) City of Flint, Michigan Lead Exposures Registry.

This subsection directs ATSDR to establish a lead exposure registry for Flint, Michigan and to provide health consultations for the citizens of Flint.

(h) Notification

Placeholder on notification to users of lead levels in drinking water [S.2466?]

(i) Asset Management

Placeholder requiring Flint to carry out an asset management program to provide appropriate operation and maintenance of the infrastructure funded in this section.

Pleyte, Beth (Treasury)

From: Darnell Earley <darnell.earley@detroitk12.org>
Sent: Friday, January 29, 2016 5:04 PM
To: William Kim
Cc: Saxton, Thomas (Treasury); Baird, Richard (GOV)
Subject: Fw: HEARING ADVISORY: Committee to Examine Flint, MI Water Crisis

Importance: High

FYI

DE

Darnell Earley, ICMA-CM, MPA
Emergency Manager
Detroit Public Schools

From: Michelle Zdrodowski
Sent: Friday, January 29, 2016 5:01 PM
To: Darnell Earley
Subject: Fw: HEARING ADVISORY: Committee to Examine Flint, MI Water Crisis

Are you aware that you have been called to testify before congressional committee next Wednesday?

Sent from my BlackBerry 10 smartphone.

From: Triplett, Matt <Matthewt@wdiv.com>
Sent: Friday, January 29, 2016 4:56 PM
To: Michelle Zdrodowski
Subject: FW: HEARING ADVISORY: Committee to Examine Flint, MI Water Crisis

From: House Oversight Press [mailto:Oversight.Press@mail.house.gov]
Sent: Friday, January 29, 2016 4:17 PM
Subject: HEARING ADVISORY: Committee to Examine Flint, MI Water Crisis



FOR IMMEDIATE RELEASE

Friday, January 29, 2016

PERMALINK

CONTACT

MI Henshaw

(202) 225-0037

Committee to Examine Flint, MI Water Crisis

"Examining Federal Administration of the Safe Drinking Water Act in Flint, Michigan"

PURPOSE:

- To examine the ongoing situation in Flint, Michigan.
- To review the Environmental Protection Agency's (EPA) administration of the Safe Drinking Water Act in Flint, Michigan.

BACKGROUND:

- Prior to April 2014, the city of Flint, Michigan received its drinking water from the City of Detroit's system.
- In the months following the switch, the Flint River water began testing high in chloride levels, which caused it to be highly corrosive.
 - One serious effect of corrosion is that it causes water pipes made of lead to leach into the water.
 - Furthermore, the water tested positive for disease-carrying bacteria.
 - Reports indicated that the EPA, which has oversight over state and local water systems under the Safe Drinking Water Act, had known about contamination as early as June of 2015, detailed in an internal EPA memo.
- EPA Region 5 Administrator Susan Hedman announced her resignation effective February 1, 2016 and the EPA Office of Inspector General launched an investigation into the crisis.
- The Committee previously examined mismanagement at the EPA with hearings held April 30 and July 29 in 2015.

DETAILS:

WHAT: *"Examining Federal Administration of the Safe Drinking Water Act in Flint, Michigan"*

WHERE: 2154 Rayburn House Office Building

WHEN: Wednesday, February 3, 2016

TIME: 9:00 a.m. ET

LIST OF INVITED WITNESSES:

*****additional witnesses may be added***

Mr. Joel Beauvais

Acting Deputy Assistant Administrator
Office of Water
U.S. Environmental Protection Agency

Mr. Miguel Del Toral

Researcher
Region 5 Water Division
U.S. Environmental Protection Agency

Mr. Keith Creagh

Director
Department of Environmental Quality
State of Michigan

Mr. Marc Edwards

Charles P. Lundsford Professor of Environmental and Water Resources Engineering
Virginia Polytechnic Institute and State University

Mr. Darnell Early

Former Emergency Manager
City of Flint Michigan

The hearing is open to the public and a live video stream will be broadcast [here](#). For live updates during the hearing, follow us on Twitter [@GOPOversight](#).

###



Pleyte, Beth (Treasury)

From: Saxton, Thomas (Treasury)
Sent: Friday, January 29, 2016 4:58 PM
To: Khouri, Nick (TREASURY)
Cc: Stanton, Terry A. (Treasury)
Subject: FW: Witness Invitation Letter - Flint Water 2-3
Attachments: Earley Invite.pdf

Importance: High

Rich was cc'd but I don't know if anyone else knows in the Gov's office.

From: Darnell Earley [mailto:darnell.earley@detroitk12.org]
Sent: Friday, January 29, 2016 4:25 PM
To: William Kim <wkim@cityofflint.com>
Cc: Saxton, Thomas (Treasury) <SaxtonT@michigan.gov>; Headen, Frederick (Treasury) <HeadenF@michigan.gov>; Trebilcock, Christopher M. <trebilcock@MillerCanfield.com>; Baird, Richard (GOV) <bairdr@michigan.gov>
Subject: Fw: Witness Invitation Letter - Flint Water 2-3

Bill, Were you aware of this?

Please advise,

DE

Darnell Earley, ICMA-CM, MPA
Emergency Manager
Detroit Public Schools

From: Casey, Sharon <Sharon.Casey@mail.house.gov>
Sent: Friday, January 29, 2016 11:11 AM
To: Darnell Earley
Cc: McGrath, William
Subject: Witness Invitation Letter - Flint Water 2-3

Dear Mr. Earley:

Attached please find an invitation letter for the Committee on Oversight and Government Reform hearing on Wednesday, February 3, 2016, at 9:00 a.m. in room 2154 Rayburn House Office building.

Please see the Witness Instruction Sheet for details on testimony. Please deliver 60 copies of your testimony and bio stapled together and delivered no later than Monday, February 1, 2016, at noon. Please send an electronic copy as soon as it is available. Please contact us with any questions.

Thank you,
Sharon Casey



Sharon Ryan Casey
Deputy Chief Clerk
Committee on Oversight and Government Reform
2157 Rayburn Building, Washington, DC 20515
202-593-8219 sharon.casey@mail.house.gov

Congress of the United States
House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

Majority (202) 225-5074
Minority (202) 225-5051
<http://oversight.house.gov>

January 29, 2016

Mr. Darnell Earley
Former Emergency Manager
City of Flint, Michigan

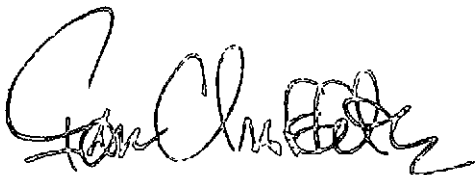
Dear Mr. Earley:

The Committee on Oversight and Government Reform hereby requests your testimony at a hearing titled, "Examining Federal Administration of the Safe Drinking Water Act in Flint, Michigan" on Wednesday, February 3, 2016, at 9:00 a.m. in room 2154 of the Rayburn House Office Building.

This hearing will examine the ongoing situation in Flint, Michigan, and the implementation of the Safe Drinking Water Act by federal agencies. You should be prepared to provide a five-minute opening statement and answer questions posed by Members.

The enclosed Witness Instruction Sheet provides information for witnesses appearing before the Committee. In particular, please note the procedures for submitting written testimony at least two business days prior to the hearing. If you have questions, please contact Bill McGrath of the Committee staff at (202) 225-5074.

Sincerely,



Jason Chaffetz
Chairman



Elijah E. Cummings
Ranking Minority Member

Enclosure

Witness Instruction Sheet
Governmental Witnesses

1. Witnesses should provide their testimony via e-mail to Sharon Casey, Deputy Chief Clerk, Sharon.Casey@mail.house.gov, no later than 10:00 a.m. two business days prior to the hearing.
2. Witnesses should also provide a short biographical summary and include it with the electronic copy of testimony provided to the Clerk.
3. At the hearing, each witness will be asked to summarize his or her written testimony in five minutes or less in order to maximize the time available for discussion and questions. Written testimony will be entered into the hearing record and may extend to any reasonable length.
4. Written testimony will be made publicly available and will be posted on the Committee's website.
5. The Committee does not provide financial reimbursement for witness travel or accommodations. Witnesses with extenuating circumstances, however, may submit a written request for such reimbursements to Robin Butler, Financial Administrator, 2157 Rayburn House Office Building, at least one week prior to the hearing. Reimbursements will not be made without prior approval.
6. Witnesses with disabilities should contact Committee staff to arrange any necessary accommodations.
7. Committee Rules governing this hearing are online at www.oversight.house.gov.

For inquiries regarding these rules and procedures, please contact the Committee on Oversight and Government Reform at (202) 225-5074.

Pleyte, Beth (Treasury)

From: Darnell Earley <darnell.earley@detroitk12.org>
Sent: Friday, January 29, 2016 6:26 PM
To: William Kim
Cc: Baird, Richard (GOV); Saxton, Thomas (Treasury); Headen, Frederick (Treasury)
Subject: Re: Witness Invitation Letter - Flint Water 2-3

Thanks for the call Bill. I'm available all weekend. The more I think about it, this can also be a great opportunity to explain how PA 436 works in relationship to local government decision making, among other things.

DE

On Jan 29, 2016, at 4:31 PM, William Kim <wkim@cityofflint.com> wrote:

No, thanks for the update. Please call me at 616 [REDACTED]

On Jan 29, 2016 4:24 PM, "Darnell Earley" <darnell.earley@detroitk12.org> wrote:

Bill, Were you aware of this?

Please advise,

DE

Darnell Earley, ICMA-CM, MPA
Emergency Manager
Detroit Public Schools

From: Casey, Sharon <Sharon.Casey@mail.house.gov>
Sent: Friday, January 29, 2016 11:11 AM
To: Darnell Earley
Cc: McGrath, William
Subject: Witness Invitation Letter - Flint Water 2-3

Dear Mr. Earley:

Attached please find an invitation letter for the Committee on Oversight and Government Reform hearing on Wednesday, February 3, 2016, at 9:00 a.m. in room 2154 Rayburn House Office building.

Please see the Witness Instruction Sheet for details on testimony. Please deliver 60 copies of your testimony and bio stapled together and delivered no later than Monday, February 1, 2016, at noon. Please send an electronic copy as soon as it is available. Please contact us with any questions.

Thank you,
Sharon Casey

Sharon Ryan Casey
Deputy Chief Clerk
<image003.png>Committee on Oversight and Government Reform
2157 Rayburn Building, Washington, DC 20515
202-593-8219 sharon.casey@mail.house.gov

Robert, Carla M. (Treasury)

From: Kennedy, Jordan (GOV) <KennedyJ4@michigan.gov>
Sent: Friday, January 29, 2016 8:38 PM
Subject: Flint Daily Update
Attachments: 160129_Flint Water Daily Update.docx

Below and attached.

Thanks,

Jordan Kennedy
Communications Representative
Executive Office of Governor Rick Snyder
Phone: 517.335.6397



Flint Water Daily Update
Updated Jan. 29

Current Issues Talking Points

Governor and DEQ encourage home water testing

- The health and safety of Flint residents remains a top priority. Pregnant and nursing mothers and young children should continue to drink bottled water as a precaution.
- It is essential that all Flint residents have the water in their homes tested as soon as possible.
- Free water testing kits are available at Fire Stations 1, 3, 5, 6, and 8. Water Samples should be returned to the fire stations for testing.
- Until water is declared safe, continue to follow established safety protocols.

Governor secures emergency supplemental to immediately aid Flint residents

- Snyder signs \$28M Flint bill, hopes for safe water soon (Detroit News)
- The \$28 million in funding will help address immediate needs for the people and families of Flint. It is a necessary next step in ongoing recovery efforts for the city.
- The Governor signed the legislation at the first possible opportunity, following its unanimous approval in both the House and Senate.
- The Flint water crisis was a failure of government at all levels – city, state and local. The governor has apologized and taken responsibility for the state's role in this failure.
 - Accepted the resignation of top DEQ officials and suspended two pending a civil service investigation.
 - Approved two emergency funding bills to support Flint residents (This \$28 million and a previous \$9.3 million in Oct. 2015).
 - Declared and extended a state of emergency for the city and activated the National Guard.
- To date, the Governor and Legislature have approved a total of \$37.3 million in emergency funding for Flint while the federal government has earmarked only \$5 million in assistance.
 - The Governor will continue to call on the federal government and our Congressional partners to secure additional funding to help address the long-term needs of the city.

- This \$28 million in emergency aid will help:
 - Supply free bottled water, faucet filters, and testing kits for Flint residents;
 - Put nine 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;
 - Replace fixtures in schools, daycares, nursing homes and hospitals;
 - Provide for an infrastructure study using independent experts;
 - Treat any children who have high lead levels in the blood, using diagnostic testing, nurse visits and environmental assessments in the home;
 - Provide additional community education opportunities within the Genesee County Health Department;
 - Compensate the Michigan National Guard's work to support water distribution;
 - Assist with home lead abatement costs;
 - Help the City of Flint with utility issues;
 - Provide operational funding for the Flint Interagency Advisory Committee.
- This funding package is just one step of many. Additional long-term resources will be needed as we work together to strengthen the city of Flint moving forward.

Fresh water in State of Michigan Flint office building was for all

- Amid denials state workers in Flint got clean water (Detroit Free Press)
- Fresh water in Flint State building was for all (ABC News)
- In January 2015, as a customer of Flint water, DTMB received a notification that the water system in Flint's state office building was found to be in violation of a drinking water standard.
- DTMB made the decision to provide an alternative drinking option for both building employees and public visitors.
 - Health of visitors was a top priority.
 - Approximately 500 visitors sign into the Flint office building every day. Many of which enter the building for access to DHHS services.
 - Those with an increased risk included people with severely compromised immune systems, infants, or the elderly. A large number of the clients using the DHHS services fall within those demographics.
- After receiving information from the city, verbally, in July 2015 that the water system issue had been addressed, the water coolers were removed.
- It wasn't until late Sept/Oct 2015 when the presence of lead in the water was confirmed that the water coolers were replaced.

Flint Water Daily Update
Updated Jan. 29

Current Issues Talking Points

Governor and DEQ encourage home water testing

- The health and safety of Flint residents remains a top priority. Pregnant and nursing mothers and young children should continue to drink bottled water as a precaution.
- It is essential that all Flint residents have the water in their homes tested as soon as possible.
- Free water testing kits are available at Fire Stations 1, 3, 5, 6, and 8. Water Samples should be returned to the fire stations for testing.
- Until water is declared safe, continue to follow established safety protocols.

Governor secures emergency supplemental to immediately aid Flint residents

- Snyder signs \$28M Flint bill, hopes for safe water soon (Detroit News)
- The \$28 million in funding will help address immediate needs for the people and families of Flint. It is a necessary next step in ongoing recovery efforts for the city.
- The Governor signed the legislation at the first possible opportunity, following its unanimous approval in both the House and Senate.
- The Flint water crisis was a failure of government at all levels – city, state and local. The governor has apologized and taken responsibility for the state's role in this failure.
 - Accepted the resignation of top DEQ officials and suspended two pending a civil service investigation.
 - Approved two emergency funding bills to support Flint residents (This \$28 million and a previous \$9.3 million in Oct. 2015).
 - Declared and extended a state of emergency for the city and activated the National Guard.
- To date, the Governor and Legislature have approved a total of \$37.3 million in emergency funding for Flint while the federal government has earmarked only \$5 million in assistance.
 - The Governor will continue to call on the federal government and our Congressional partners to secure additional funding to help address the long-term needs of the city.
- This \$28 million in emergency aid will help:
 - Supply free bottled water, faucet filters, and testing kits for Flint residents;
 - Put nine 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;
 - Replace fixtures in schools, daycares, nursing homes and hospitals;
 - Provide for an infrastructure study using independent experts;
 - Treat any children who have high lead levels in the blood, using diagnostic testing, nurse visits and environmental assessments in the home;
 - Provide additional community education opportunities within the Genesee County Health Department;
 - Compensate the Michigan National Guard's work to support water distribution;
 - Assist with home lead abatement costs;
 - Help the City of Flint with utility issues;
 - Provide operational funding for the Flint Interagency Advisory Committee.

- This funding package is just one step of many. Additional long-term resources will be needed as we work together to strengthen the city of Flint moving forward.

Fresh water in State of Michigan Flint office building was for all

- Amid denials state workers in Flint got clean water (Detroit Free Press)
- Fresh water in Flint State building was for all (ABC News)
- In January 2015, as a customer of Flint water, DTMB received a notification that the water system in Flint's state office building was found to be in violation of a drinking water standard.
- DTMB made the decision to provide an alternative drinking option for both building employees and public visitors.
 - Health of visitors was a top priority.
 - Approximately 500 visitors sign into the Flint office building every day. Many of which enter the building for access to DHHS services.
 - Those with an increased risk included people with severely compromised immune systems, infants, or the elderly. A large number of the clients using the DHHS services fall within those demographics.
- After receiving information from the city, verbally, in July 2015 that the water system issue had been addressed, the water coolers were removed.
- It wasn't until late Sept/Oct 2015 when the presence of lead in the water was confirmed that the water coolers were replaced.

Pleyte, Beth (Treasury)

From: SaxtonT@michigan.gov
Sent: Saturday, January 30, 2016 2:44 PM
To: Darnell.earley@detroitk12.org
Subject: Fwd: Timeline Follow-up Questions
Attachments: Jerry Ambrose 3-3-15 Memo.pdf; ATT00001.htm

Darnell - attached is the Jerry A memo I mentioned. This email was in response to a press query.

Begin forwarded message:

From: "Byrne, Randall (Treasury)" <ByrneR1@michigan.gov>
Date: January 20, 2016 at 1:44:40 PM EST
To: "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov>
Cc: "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>, "Schafer, Suzanne K. (Treasury)" <SchaferS7@michigan.gov>, "Stanton, Terry A. (Treasury)" <StantonT@michigan.gov>
Subject: FW: Timeline Follow-up Questions

Tom:

This is in response to your earlier email.

Randy

From: Heimann, Alexandr (TREASURY)
Sent: Wednesday, January 20, 2016 1:36 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Timeline Follow-up Questions

Hello Randy,

I have finished reviewing the follow-up questions that you sent to me, and after reviewing all of our documents, here are my responses:

Timeline questions follow-up

Response

1. Most of these dates involve DEP et al in which we/Treasury did not play a role i.e., someone else [DEQ] would need to confirm their accuracy
2. Just quickly, items we would question from the document or need to investigate further...
3. 12/20/12 (p.1) – we don't have the notification that is referenced
"The City of Flint notifies the Treasury that it is no longer considering using the Flint River as a water supply"
 - Cannot find documentation that this occurred.

- During that time period, the Treasury was analyzing the report from Tucker and Young study, and had not even received a proposal from DWSD.

4. 3/29/13 (p.2) – we are not aware of any veto by Kurtz

“EM Kurtz Vetoes Flint City Council’s changes to the KWA resolution, and signs an executive order to join KWA”

- We were able to confirm that the City Council voted to connect to water from KWA
- No Executive Order was filed with the Treasury overriding the City Council’s changes to the KWA agreement, nor was there an Executive Order filed with the Treasury to join the KWA

5. The early offers by DWSD to reconnect were rejected because of the add’l cost, they were long term and the fact the city had executed a contract with KWA. On Jan 12 ’15 they waived the reconnect fee but were still issues re length/term of commitment.

- Per Jerry Ambrose’s memo dated 3/3/15 (attached), the water from DWSD would still cost the city an additional estimated \$12M annually, which would have raised water rates by an additional 30%. As such, he strongly disagreed with restoring the water to DWSD at the time.

6. 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.

- No documentation was found to conclude that this study was funded by the Treasury.

Alexandr Heimann

Municipal Analyst

Local Government Financial Services Division

Michigan Department of Treasury

Office (517) 335-2434



CITY OF FLINT
OFFICE OF THE EMERGENCY MANAGER



Gerald Ambrose
Emergency Manager

TO: Wayne Workman, Deputy Treasurer
Treasury Department
State of Michigan

FROM: Jerry Ambrose, Emergency Manager
City of Flint

DATE: March 3, 2015

As the Emergency Manager for the City of Flint, I am charged with restoring the City government to financial solvency, and working to assure that the City moves forward on a financially sustainable basis. The steps taken over the past three years have been difficult. Taxes and fees have been raised, services and workforce reduced, and ongoing costs, including legacy costs, have been constrained.

The current controversy surrounding the provision of water, and the path for resolution, has a potentially significant impact on the progress that is being made. I am satisfied that the water provided to Flint users today is within all MDEQ and EPA guidelines, as evidenced by the most recent water quality results conducted for MDEQ. We have a continuing commitment to maintain water safety and to improve water quality, and have dedicated resources to assure this commitment will be made.

The oft-repeated suggestion that the City should return to DWSD, even for a short period of time, would, in my judgment, have extremely negative financial consequences to the water system, and consequently to the rate payers. By the most conservative estimates, such a move would increase costs by at least \$12 million annually, with that amount achieved only by eliminating virtually all budgeted improvements in the system. For a system with Unrestricted Assets of only \$740,745, according to the June 30, 2014 audited financial statements, the only recourse within the City's control would be to increase revenues significantly. And in my judgment, that would come from raising rates for water by 30% or more. Further, changing the *source* of the city's water would not necessarily change any of the *aesthetics* of the water, including odor and discoloration, since those appear to be directly related to the aging pipes and other infrastructure that carry water from the treatment facility to our customers.

Wayne Workman
March 3, 2015
Page 2

This direction of discussion also deviates from what, in my judgment, should be the focus: How can we not only operate and maintain a system to assure the delivery of safe and quality water dependably, but significantly reduce the cost of water and sewer to the users? At an average of \$149 per month for water and sewer service for a residential user, the cost is extremely high in comparison to surrounding areas, as well as most areas across the state, and creates a significant financial burden for many users. In my judgment, we should all be concentrating on how to reduce rates by 50% or more. Unfortunately, there are no easy or evident answers, and continuation of the status will be an impediment to the sustainable recovery of the City of Flint. It is a conversation that I expect we will have with the recently created Water Quality Advisory Committee.

My reasoning for this conclusion is as follows:

One of the decisions made in the context of beginning to eliminate deficits and to restore financial stability to the City of Flint was to increase water and sewer rates significantly – the only choice available to financially stabilize a system that as of June 30, 2012, had a deficit of \$8,758,091. Another was to leave DWDS for the KWA because it offered the opportunity to lower future rate increases. A third decision was to utilize the Flint River on an interim basis when DWSD unilaterally terminated the City's contract for water purchase. That decision was made because it also offered an immediate cost savings opportunity which translated into the ability to upgrade the Water Treatment Plant without having to seek financing. It was a reasonable decision because of our experience in using the river in a back-up capacity, including test runs on a quarterly basis for several decades.

Unfortunately, the switch to the river as a primary source was more challenging than anticipated, and the harsh winter of 2013-2014 resulted in much more damage to the aging water infrastructure than in previous years. The result was the issuance of required notices that water exceeded established guidelines for safety as it could affect certain vulnerable populations, and some users of the system experienced unpleasant odors and discoloration. Some users also appeared to have had some negative reactions to the new source of water. However, as soon as the test results were known, City staff took immediate actions to address the concerns. These actions are evidenced today by the fact that MDEQ has certified that our most recent testing shows water from all testing sites to be well within acceptable guidelines. Additionally, the City is continuing to taking the necessary actions to assure that the water supply remains safe and that water quality continues to improve.

As the City has moved to address the situation, the suggestion continues to be made that the City should re-engage with DWSD and purchase water at least until the KWA pipeline is supplying water. As evidenced by the most recent letter from DWSD, such a decision would immediately increase the City's cost by \$846,700 per month, or \$10,160,400 per year, just for the fixed cost portion of the price. The actual *purchase* of water would be an additional fee, and dependent upon

Wayne Workman

March 3, 2015

Page 3

the quantity purchased. We estimate the actual water purchase cost to average more than \$1 million per month, for a grand total of approximately \$22 million per year. Finally, the DWSD offer is conditioned upon the City (or presumably the KWA) agreeing to negotiate a long term contract (30 years) for back-up.

The \$22 million annual estimate of increased costs to purchase water from DWSD would be minimally offset by an approximate \$3 million in reduced operating costs, and could be further offset by an additional \$9 million, but only if all funding for capital improvements to the system are eliminated. To eliminate all funding dedicated to repairing, stabilizing, and improving the system would be totally irresponsible and would have long term negative consequences to the City and to future rate payers.

As you are aware we have recently brought in outside expert assistance to evaluate the steps we have taken to assure that the water is safe and to continue to improve water quality. We are expecting specific recommendations within the next few weeks, and are committed to implementing those recommendations in a timely manner. Many steps have already been taken. I am confident that implementing their recommendations will assure a continuing supply of safe water as well as improved quality, and at far less cost than re-engaging DWSD.

We have also created a 40-member Water Advisory Committee and a 13-member Technical Advisory Committee to assure two-way communication with the public and users of the system. Those committees will begin to meet this week, and we look forward to answering their questions and receiving their input.

It is unfortunate that problems and concerns with quality have arisen, and we are working every day to address the issues that caused them. Maintaining safe water and improving quality is a top priority as we work to make the City of Flint an attractive place to live, work, study, and play.

Pleyte, Beth (Treasury)

From: SaxtonT@michigan.gov
Sent: Sunday, January 31, 2016 7:11 AM
To: Darnell Earley
Subject: Re: Timeline Follow-up Questions

We don't agree with that statement. That was referring to 'another' timeline that alleged that. Wayne's staff relooked thru files. We could not find anything.

On Jan 30, 2016, at 4:21 PM, Darnell Earley <darnell.earley@detroitk12.org> wrote:

Tom,

What documents are they referring to that say Kurtz Vetoes the council changes to the resolution and they notified Treasury they were not considering the river?

DE

On Jan 30, 2016, at 2:45 PM, Saxton, Thomas (Treasury) <SaxtonT@michigan.gov> wrote:

Darnell - attached is the Jerry A memo I mentioned. This email was in response to a press query.

Begin forwarded message:

From: "Byrne, Randall (Treasury)" <ByrneR1@michigan.gov>
Date: January 20, 2016 at 1:44:40 PM EST
To: "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov>
Cc: "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>, "Schafer, Suzanne K. (Treasury)" <SchaferS7@michigan.gov>, "Stanton, Terry A. (Treasury)" <StantonT@michigan.gov>
Subject: FW: Timeline Follow-up Questions

Tom:

This is in response to your earlier email.

Randy

From: Heimann, Alexandr (TREASURY)
Sent: Wednesday, January 20, 2016 1:36 PM
To: Byrne, Randall (Treasury) <ByrneR1@michigan.gov>
Subject: Timeline Follow-up Questions

Hello Randy,

I have finished reviewing the follow-up questions that you sent to me, and after reviewing all of our documents, here are my responses:

Timeline questions follow-up

Response

1. Most of these dates involve DEP et al in which we/Treasury did not play a role i.e., someone else [DEQ] would need to confirm their accuracy

2. Just quickly, items we would question from the document or need to investigate further...

3. 12/20/12 (p.1) – we don't have the notification that is referenced

"The City of Flint notifies the Treasury that it is no longer considering using the Flint River as a water supply"

- Cannot find documentation that this occurred.
- During that time period, the Treasury was analyzing the report from Tucker and Young study, and had not even received a proposal from DWSD.

**4. 3/29/13 (p.2) – we are not aware of any veto by Kurtz
"EM Kurtz Vetoes Flint City Council's changes to the KWA resolution, and signs an executive order to join KWA"**

- We were able to confirm that the City Council voted to connect to water from KWA
- No Executive Order was filed with the Treasury overriding the City Council's changes to the KWA agreement, nor was there an Executive Order filed with the Treasury to join the KWA

5. The early offers by DWSD to reconnect were rejected because of the add'l cost, they were long term and the fact the city had executed a contract with KWA. On Jan 12 '15 they waived the reconnect fee but were still issues re length/term of commitment.

- Per Jerry Ambrose's memo dated 3/3/15 (attached), the water from DWSD would still cost the city an additional estimated \$12M annually, which would have raised water rates by an additional 30%. As such, he strongly disagreed with restoring the water to DWSD at the time.

6. 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.

- No documentation was found to conclude that this study was funded by the Treasury.

Alexandr Helmann
Municipal Analyst
Local Government Financial Services Division
Michigan Department of Treasury
Office (517) 335-2434

<Jerry Ambrose 3-3-15 Memo.pdf>

Responding to Flint and Michigan's Needs

How EY can provide support

January 2016



Building a better
working world

Overview

- ▶ Ensuring residents of Flint are receiving safe water is priority number one.
- ▶ As a result, FEMA is providing commodities and emergency services.
- ▶ Michigan should receive reimbursement through FEMA as a result of the President's Emergency Declaration, and EY can assist in this initial area.
- ▶ EY's expertise in *Insurance and Federal Claims Services, Infrastructure Advisors, Construction Consulting and Construction & Real Estate Services* can assist the State and City on current and future activities around:
 - ▶ Federal grants
 - ▶ Emergency management
 - ▶ Project management
 - ▶ Infrastructure & construction
 - ▶ Financial review and other necessary measures

EY provides financial expertise in key areas to assist Flint and the State in this emergency

Flint Issue	EY Service Offering	Key Tasks / Value Added	Relevant Experience
Administration of Federal and State financial aid	▶ Insurance & Federal Claims Services (IFCS)	▶ Assist in oversight (funds spent appropriately), grant and contract management, compliance, documentation, reimbursement process and loss prevention	▶ Flood recovery claim preparation for automotive manufacturing facility
Feasibility of infrastructure solutions	▶ EY Infrastructure Advisors (EYIA)	▶ Team up with engineering firm to identify and assist in the selection of viable projects to address emergency ▶ Strategic advisory and financial assessment	▶ Fargo-Moorhead Area Diversion ▶ Miami Intermodal Center ▶ Rialto Water Services
Construction management	▶ Construction and Real Estate Services	▶ Conduct risk assessment to identify issues ▶ Develop process controls for construction project ▶ Project status and progress reviews	▶ New York DEP water and wastewater project ▶ Major Northeast Utility
Project funding sources and impact on City's financial situation	▶ EY Infrastructure Advisors ▶ Transaction Advisory Services	▶ Identify alternative funding sources ▶ Model financial impact on Flint's financial situation ▶ Rate analysis	▶ National private water company ▶ City of Flint 5-year plan and valuation of WSC ▶ City of Detroit Water and Sewer rates

Multiple stakeholders would benefit from the independent advice of a reputable financial advisor

City of Flint

Mayor

City Council

Water Service Center

Genesee County

Board of Commissioners

Oversight boards

Transition Advisory Board

Flint Water Interagency Coordinating Committee

State of Michigan

Governor

Legislature

▶ Office of Urban Initiatives
 ▶ Emerg. Mgmt. and Homeland Sec.
 ▶ Dep. of Environmental Quality
 ▶ Health and Human Services
 ▶ Licensing and Regulatory Affairs
 ▶ Treasury
 ▶ Department of Education

Federal Government

Executive Branch

FEMA

Key advisors

Function

Legal advisor

Engineering firm

Financial advisor

Communications advisor

Area of expertise

Emergency Management

FEMA/grant compliance

Construction Services

Project Management

Financial Projections

Rate Development

Key attributes of financial advisor:

- ▶ Independent
- ▶ Brand recognition
- ▶ Public sector expertise

☐ EY Service offerings

- ▶ Comprehensive service offering
- ▶ Relevant expertise
- ▶ Senior level attention

Insurance & Federal Claims Services (IFCS)

Areas of support

Description of capabilities

- ▶ Assist all levels of government on presidentially declared emergencies and disasters
 - ▶ Oversight to ensure that disaster relief funds were spent appropriately
 - ▶ Assist federal funding recipients on grants management, contract management, accounting, internal controls, documentation, audit resolution, and a wide range of other services
- ▶ Manage disaster-related compliance and emergency management performance assessments
- ▶ Knowledge and understanding of FEMA's Public Assistance (PA) program and other federal funding sources, and activities required for compliance
- ▶ The City and State should be receiving reimbursement for some of their activities as a result of the President's Emergency Declaration.
- ▶ EY can support reimbursement efforts in the areas of:
 - ▶ **Disaster grant services** including project worksheet development, locating, assembling, reviewing and organizing documentation, review of grant documentation, and other services related to the emergency
 - ▶ **Loss prevention strategies to improve emergency accountability** through internal control reviews, compliance and cost eligibility reviews, and advising state officials on state and federal funding
- ▶ EY fees may be partially reimbursable under direct administrative and management costs

Disaster Recovery

Federal
reimbursement

EY Infrastructure Advisors (EYIA)

Areas of support

Description of capabilities

Government Support

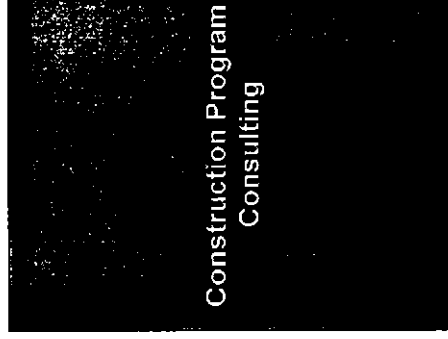
- ▶ EY's Infrastructure Advisors (EYIA) provides practical solutions through sound financial and other advisory services for clients seeking to:
 - ▶ Rebuild and modernize existing infrastructure
 - ▶ Invest wisely in new infrastructure to address new and changing needs, enable growth and achieve a higher quality of life for communities
- ▶ Bring innovation, foresight and sound economic stewardship to their major projects, programs and investments
- ▶ Identify and attract the funding and financing required to invest in infrastructure

Water Capabilities

- ▶ Cutting edge water advisory services across the globe
 - ▶ Strategic advisory, economic forecasting, financial due diligence, and procurement support among others
- ▶ Advise on the development, procurement and financing of complex water infrastructure projects
- ▶ Experience includes diverse areas including supply chain management and operational performance improvements
- ▶ Provide financial, commercial and tax due diligence on largest water transactions

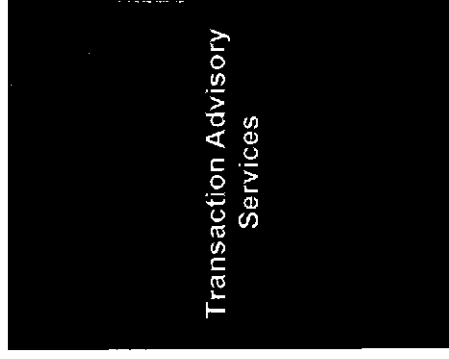
Other areas of support

Areas of support



Description of capabilities

- ▶ Conduct risk assessments to identify issues with project delivery and contract structures
- ▶ Develop process and controls related to:
 - ▶ Cost control and tracing
 - ▶ Vendor procurement and payment
 - ▶ Schedule management
 - ▶ Forecasting
 - ▶ Organizational effectiveness
 - ▶ Risk Management
- ▶ Conduct project status and progress reviews
- ▶ Advise and review procurement processes
- ▶ Assess the financial feasibility of proposed mitigation projects
- ▶ Identify potential sources of funding
- ▶ Quantify the long-term financial impact on the City's financial condition
 - ▶ Leverage previous work with City of Flint on 5-year plan
 - ▶ Develop long-term financial projections under various scenarios
 - ▶ Assess impact on City's and Water Service Center's cash position
- ▶ Estimate the impact of proposed construction projects on future customer rates
 - ▶ Leverage previous valuation work in relation to Water Service Center



About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

© 2016 Ernst & Young LLP
All Rights Reserved

1601-1814407