

From: Benzie, Richard (DEQ)
To: ["Taft, Jim"](#)
Cc: [Sygo, Jim \(DEQ\)](#); [Butler, Sonya \(DEQ\)](#); [Devereaux, Tracy Jo \(DEQ\)](#)
Subject: RE: Discussion with Senator Stabenow's Office Regarding Flint
Date: Tuesday, November 03, 2015 10:50:00 AM

Jim,

I appreciate the heads up. In response to this situation, we are already drafting changes to our DWSRF authorizing state legislation to allow a community to fund the replacement of lead service lines on private property without having to assume responsibility for the portion installed in private property thereafter.

We have also sought and received (I believe) concurrence from our Region 5 EPA SRF contacts that lead service line replacements are eligible for green project designation, allowing them to qualify for some principal forgiveness.

Our SRF Section also attempted to provide Flint with a DWRF loan a few years ago for \$14 million dollars for much needed distribution system improvements (in addition to the \$30 to \$40 million in loans that have been provided for treatment plant improvements in the last decade or so). At that time, we offered the city 50% principle forgiveness using environmental justice and disadvantaged community considerations. Unfortunately, the city declined the DWRF loan because they said they didn't have \$7 million needed to pay back (over 30 years) that portion that would not be forgiven. They were in bankruptcy so it was understandable.

Richard

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From: Taft, Jim [mailto:jtaft@asdwa.org]
Sent: Tuesday, November 03, 2015 10:27 AM
To: Benzie, Richard (DEQ)
Subject: Discussion with Senator Stabenow's Office Regarding Flint

Good morning Richard --

I wanted to give you a quick heads up that I was contacted last week by an Aaron Suntag of Senator Stabenow's office regarding Flint. (It took a while to connect, as I was on travel in Pennsylvania.)

Mr. Suntag was searching for mechanisms, under the Safe Drinking Water Act, to quickly provide assistance and funding to the city of Flint. I said to him (to paraphrase): "Before you start, please know that our role at ASDWA is to support and assist, in whatever ways we can, our state drinking water programs. We are not the experts on the Flint situation --

they are. I strongly suggest that you first contact them [I gave your name as a point of contact] rather than ASDWA." In response, he said (again, to paraphrase) "yes -- I absolutely understand and appreciate what you're saying, but, due to current legal and political considerations, we don't feel that we can contact them just now. But, please let me run past you some ideas we have for helping Flint." That response was frankly mysterious to me and I really don't understand their inability/reluctance to contact your office.

He said that his office was exploring three possible vehicles for assistance to Flint:

1. A Hurricane Sandy-like stand-alone piece of legislation that would appropriate funds for Flint's use to address their problems. He acknowledged, however, that this would be a big "lift" since it wasn't really a comparable area-wide disaster type situation in Flint.
2. Use of the emergency order provisions of Section 1431 of the SDWA to justify the special appropriation of funds and to put in place orders to help Flint address their problems. He said that this was still a pretty sketchy approach that they hadn't really thought through fully.
3. Use of the disadvantaged loan provisions of the SRF to provide at least 30% in loan assistance to Flint.

My only commentary, on his three options, was to agree that it was hard for me to envision approaches # 1 and # 2 being successful. Regarding # 3, I noted that, while the SDWA only allows up to 30% of the total cap grant for a given year to be used for disadvantaged loan subsidies, states can provide additional subsidization through their overall fund management, if they so choose. I noted that a state may also, if it chooses, use set-aside funds to help a community navigate through the application process and prepare projects. However, at this point, I stressed again the need to consult with you guys -- these are your prerogatives and your decisions.

The whole conversation took about 10 minutes; but, I wanted to be sure you were aware of this. Thanks Richard.

Jim Taft

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