From: Butler, Sonya (DEQ)
To: Shekter Smith, Liane (DEQ)
Subject: FW: City of Flint SAW 1384-01
Date: Thursday, September 17, 2015 2:34:18 PM

FYI

From: Howard Croft [mailto:hcroft@cityofflint.com]
Sent: Thursday, September 17, 2015 9:17 AM
To: Pocan, Eric (DEQ)
Cc: jmarkstrom@rowepsc.com; Butler, Sonya (DEQ); Fitzner, Wendy (DEQ); Jody Lundquist; Michael Glasgow; Peter Bade; Natasha Henderson; Flint Mayor
Subject: Re: City of Flint SAW 1384-01

Eric,

Thank you for the quick follow up, I am including our Finance Director and Utility Administrator into the conversation so that we are all on the same page moving forward. The legal department has the draft resolution that you sent earlier and I intend to have it ready for you by the end of the month.

On Thu, Sep 17, 2015 at 9:05 AM, Pocan, Eric (DEQ) <POCANE@michigan.gov> wrote:
Howard,
I just wanted to follow up our phone call this morning with an email summarizing our conversation. The city of Flint is eligible for a SAW grant totaling 2 million dollars and a local match is not required as a result of Flint's disadvantaged status. However we wanted to make sure the city understands that a funding structure will need to be in place to implement the Wastewater Asset Management Plan.

The following language was included in the SAW grant application:
"SAW grant recipients for wastewater system asset management plans are required to make significant progress on the funding structure. Significant progress is defined as a 5-year plan to eliminate the (funding) gap with a minimum initial rate increase to close at least 10 percent of the funding gap. The first increase must be implemented within three years of the executed grant."

As a result of this language the city would need to submit a copy of their rate methodology within 2 ½ years of the executed grant. If this requirement is not met the city would need to repay the grant with interest calculated from the date Grant funds were first drawn at a rate not to exceed 8 percent per year.

If you have any additional questions feel free to contact me.

Eric Pocan, Project Manager
Department of Environmental Quality
Office of Drinking Water and Municipal Assistance
Revolving Loan Section
517-284-5416 Office

--
Howard Croft
Public Works Director
City of Flint
1101 S. Saginaw Street
Flint, MI 48502
PH# 810.766.7135 Ext.2043
hcroft@cityofflint.com