
From: Workman, Wayne (TREASURY)
Sent: Wednesday, February 04, 2015 6:35 PM
To: Muchmore, Dennis (GOV)
Cc: Saxton, Thomas (Treasury)
Subject: Re: Flint Meeting

Follow Up Flag: Follow up
Flag Status: Flagged

We can get all old rate and the new rate info. No matter what rates have to go up every year to maintain and replace an 80 old system serving half the people it did 25 years ago. We also have the E&Y study confirming that rates must continue upward if there is to be a reasonable capital plan. There is money saved by separating from DWSD. It is all invested upgrading the plant to connect to KWA. There are permanent long term savings with KWA. If they don't do that they would have had to borrow or have more rate increases. Please confirm exactly what information you want so staff compiles what you need. I will get them ready to work on it first thing Thursday. Wayne. PS what DWSD said when came to Flint was not what was in their letter. The letter said long term commitment back to DWSD and Sue McCormick verbally said that's not what they meant.

Sent from my iPad

On Feb 4, 2015, at 6:03 PM, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov> wrote:

If we just could compare the old rates vs. the new Flint River rates it would help immensely. I think we can do something here that the ministers would like.

From: Saxton, Thomas (Treasury)
Sent: Wednesday, February 04, 2015 5:26 PM
To: Muchmore, Dennis (GOV)
Cc: Workman, Wayne (TREASURY)
Subject: RE: Flint Meeting

My plan is to talk to Jerry A. et al. I don't have that old cost & rate info for Flint in my head. At the time it was more of Andy's gig but we will get it. I will check too as to what they (the City) think of the rip response for that water consultant i.e., if it is actually going to add value. And don't forget about that loan restructuring; that is about another \$2mm+ that could be used to replace bad lines.

From: Muchmore, Dennis (GOV)
Sent: Wednesday, February 04, 2015 4:53 PM
To: Saxton, Thomas (Treasury)
Subject: Flint Meeting

So, just so I understand, the rates went up from the Detroit rates when they went to the Flint River? If that is true I'd be pissed also. We probably need an accounting of this water issue. Costs to date, old rate v. today's rate, any new hook charges, etc.

In a discussion about this with Rich, he recited a conversation with Daddow in which Daddow said that the \$847,000 a month is a reduction from their previous rate. Daddow had no objection to a shorter term fix as it would mitigate some of the costs that were to be added to the water charges at GLWA for present customers for a year and a half which Bob seemed to think made sense.

I asked him to review with Daddow this whole thing and see if they could be rehooked for 15 months or so.

Dennis C. Muchmore
Chief of Staff
Governor Rick Snyder, Michigan
517-241-5601

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STAY CONNECTED:

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