
From: Saxton, Thomas (Treasury)
Sent: Thursday, February 19, 2015 6:04 PM
To: Clement, Elizabeth (GOV); Muchmore, Dennis (GOV)
Subject: Fwd: Flint

Sent from my iPhone

Begin forwarded message:

From: "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov>
Date: February 19, 2015 at 5:30:59 AM EST
To: "Muchmore, Dennis (GOV)" <muchmored@michigan.gov>
Cc: "Baird, Richard (GOV)" <bairdr@michigan.gov>, "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>, "Hollins, Harvey (GOV)" <hollinsh@michigan.gov>
Subject: Re: Flint

I traded calls yesterday with Bob D. And talked to Jerry A. My intent was to get the 3 of us on the phone to resolve any confusion, etc on ongoing questions relating to Flint hooking back up with DWSD. I will try again today.

But again, unless I am missing something (which has been known to happen); going back to DWSD represents (lets say in round \$s) \$10mm in net add'l costs to the Flint system. There is no money to pay that other than raising rates to customers. The calculations show that would be an approx 30% increase in rates.

Momentarily, I will forward a preliminary analysis/presentation from the City's newly hired consultant. I just blasted thru the document but it seems to say that reconnecting with DWSD will not necessarily cure the issues that they are currently dealing with e.g., discoloration, TTHM.

On Feb 18, 2015, at 10:03 AM, "Muchmore, Dennis (GOV)" <muchmored@michigan.gov> wrote:

This train is leaving and we'll be holding the bag if we don't work out a deal on DWSD for Flint.

Begin forwarded message:

From: "Baird, Richard (GOV)"
<bairdr@michigan.gov<mailto:bairdr@michigan.gov>>
To: "Muchmore, Dennis (GOV)"
<muchmored@michigan.gov<mailto:muchmored@michigan.gov>>

Subject: Fwd: FW: Flint

Need to bring this to ground today if we can.

Sent from my Verizon Wireless 4G LTE DROID

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

From: "Daddow, Robert"

<daddowr@oakgov.com<<mailto:daddowr@oakgov.com>>>

Date: Feb 17, 2015 9:05 AM

Subject: FW: Flint

To: "Baird, Richard (GOV)"

<bairdr@michigan.gov<<mailto:bairdr@michigan.gov>>>

Cc:

Rich - it takes two to negotiate and Flint representatives are not at the table. In fact, they are actively trying to avoid even considering this as an alternative course of action. Me - what I'd be doing is a dual track; if the local solution fails, I'd have the second option to fall back on. But, heh, that is just me. They are over 21, have been elected to represent their residents / commercial entities and therefore are responsible for their actions - to the same people who put them there.

While I'd like to pick up a few percentage point reduction in the water rate increases for the retention of Flint, it would be short-term anyway. If we don't have a willing partner on that side, then it can only lead to further distractions from a DWSD management already stressed in dealing with the transition, normal business, and the new Financial Review Board / two policy boards that they are reporting to.

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

From: Robert Daddow [<mailto:daddowr@oakgov.com>]

Sent: Tuesday, February 17, 2015 9:01 AM

To: 'Nicolette Bateson'

Cc: 'Brian Baker'; 'Bart Foster'; 'jfausone@fb-firm.com<<mailto:jfausone@fb-firm.com>>'; 'Sue McCormick'; 'William Wolfson'

Subject: RE: Flint

Yesterday, I received a voice mail from R. Baird (still have not connected) that indicated that the City is actively working to resolve the water matter so as to avoid connecting to the DWSD. Veolia is assisting in this matter and will be issuing a report shortly. Nikki shared the above article that provides additional guidance as well.