

I believe that there is a win / win here. If the proposal is not acceptable, then I'd like to hear an alternative if at all possible – particularly since the 11% isn't selling well in the media, given the misinformation out there in the public. RJD

From: Bart Foster [REDACTED]
Sent: Thursday, February 12, 2015 10:33 PM
To: Robert Daddow
Cc: Nicolette Bateson
Subject: Re: Flint

Actually, my quick take is about 8%.

Some background:

When Flint left, the annual revenue profile for the Water System was initially reduced by \$12.5 million. However, we immediately recalculated the rate for Genesee County (recognizing their higher demands), to effectively “claw back” about \$2 million of the reduction, so the net Flint impact is ~ \$10.5 million, or just under 2.5% of the

(reduced) Water System rate revenue. Assuming that same amount could be replaced, and all else being equal, the “system rate increase” could be reduced by about 3 percent, with a bit more of the reduction occurring in the suburban wholesale rate structure. Safe to say that (again, absent any other changes) the average suburban water rate increase would be closer to 8 percent compared to the current 11.1%.

Hope this helps . . .

-- Bart Foster

President

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Thank you.

On Feb 12, 2015, at 7:02 PM, Bart Foster <

[REDACTED]

wrote:

Bob - in transit but will review and reply this evening.