From: Muchmore, Dennis (GOV)
Sent: Friday, April 26, 2013 8:25 AM
To: Dillon, Andy (Treasury); Stibitz, Brom (Treasury)
Cc: Snyder, PPI
Subject: Flint

If Flint is going to go into some kind of regional authority, then we need to firewall the finances of water from the general city budget. How do we keep the city from using the water system as a cash flow tool? We need to help them avoid the problem that they have been guilty of in the past of capturing water monies from customers before remittance to the Authority and using it elsewhere.

I suspect that is the motivation behind their desire to split off from DWSD. If the monies go to legacy debt it will help Flint immeasurably, if general fund then they'll never get on top of the situation. Right now their legacy debt is higher than their wages for current employees and that is obviously unsustainable. I realize I'm not telling you anything you don't already know, just re-emphasizing.