From: Baird, Richard (GOV)
Sent: Friday, October 02, 2015 7:12 PM
To: Daddow, Robert J
Subject: Re: follow up

We are setting up a new revolving fund to enable some borrowing I think. I imagine any deal would require stringent terms on monthly payments.

Sent from my iPad

> On Oct 2, 2015, at 3:41 PM, Daddow, Robert J <daddowr@oakgov.com> wrote:
>
> I think you are in the ballpark of what DWSD is thinking - just saw the reference in Gongwers on the State assisting. Where is Walling coming up with his repeated $2M / month number given the below?
>
> What can I do to help?
>
> My only concern is not being stuck with an unpaid bill at the end of the 9 month period. Just being the accountant that I am. RJD
>
> -----Original Message-----
> From: Baird, Richard (GOV) [mailto:bairdr@michigan.gov]
> Sent: Friday, October 02, 2015 10:13 AM
> To: Daddow, Robert J
> Subject: Fwd: follow up

Not Responsive

> Begin forwarded message:
>
> From: "Muchmore, Dennis (GOV)" <muchmored@michigan.gov<mailto:muchmored@michigan.gov>>
> Date: October 2, 2015 at 10:10:36 AM EDT
> To: "Saxton, Thomas (Treasury)" <SaxtonT@michigan.gov<mailto:SaxtonT@michigan.gov>>
> Cc: "Khouri, Nick (TREASURY)" <KhouriN@michigan.gov<mailto:KhouriN@michigan.gov>>, "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov<mailto:WorkmanW@michigan.gov>>, "Stanton, Terry A. (Treasury)" <StantonT@michigan.gov<mailto:StantonT@michigan.gov>>
> Subject: Re: follow up

Not Responsive

> On Oct 1, 2015, at 8:25 PM, Saxton, Thomas (Treasury) <SaxtonT@michigan.gov<mailto:SaxtonT@michigan.gov>> wrote:
>
>
> Dennis - in response to your earlier email; Wayne's guys came up with a ballpark estimate for reconnecting to DWSD.

Let me emphasize 'ballpark'. They used your assumptions & they talked to Natasha H. after 5:00. Bottom line... the estimated cost is approx $10.5mm to reconnect until June '16.
>
> These numbers on their surface seem much improved over previous DWSD $offers. [Is Daddow in the loop on this ?] We need to give some more thought as to whether this is all inclusive. e.g., there might be some costs from turning down operations at the plant
>
>
> I am being told this can happen in a relatively short time i.e., less than a week. Which seems aggressive. Obviously that does not mean the lead concerns nor discolored water, etc goes away in a week. The pipe section they sold to the county won't be an impediment to this deal.
>
>
> There apparently are no 'upfront' costs we need to worry about. In theory, it seems like it can be paid over the 9-10 months (vs a lump sum). But I am not clear Dennis on those couple ideas/sources the Mayor & Senator mentioned i.e., at this point I am not sure where the $10.5mm comes from.
>
>
> My guess is we will keep refining this estimate. Let us know if you need anything else. Again, "credit " Wayne's guys for pulling this together quickly.
>
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>
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> ____
> From: Cline, Richard (Treasury)
> Sent: Thursday, October 1, 2015 6:08 PM
> To: Saxton, Thomas (Treasury); Koryzno, Edward (Treasury); Byrne, Randall (Treasury)
> Subject: RE: follow up
>
>
> City's usage is 14 MGD/Day
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>
> Timeline is 9 months until June 2016
>
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> Fixed Cost is $662,100 for 9 months or $5,958,900
>
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>
> Commodity Rate is $501,383/month
>
>
>
> Total Monthly Cost is $1,163,483
>
>
>