

David Guastella

From: Bart Foster <bfoster@fostergroupllc.com>
Sent: Tuesday, December 11, 2012 9:27 AM
To: David Guastella
Cc: Raphael Chiolla; Sue McCormick; Darryl Latimer; George Karmo; Awni Qaqish; CUBBAJOHN@GMAIL.COM
Subject: Re: Indefinite-scope, Indefinite-delivery Contract Number 00383: City of Flint Water Supply Assessment
Attachments: TYJT Response Exhibit.pdf

Dave - please see attachment, which summarizes the information you are seeking. You should be aware of several items:

- The allocated costs of service and rates computed in the attachment follow an "all else being equal" application of the current (FY 2012-13) DWSD unit costs. This is consistent with the figures we've been discussing with Flint representatives in one on one meetings. Whenever these service requirements actually get applied in a proposed rate, the lower SYSTEM units associated with lower FLINT units (blending, max day, Genesee, etc.) will raise the unit costs for ALL customers, creating a moderate impact for ALL customers. We've acknowledged this to Flint representatives in our discussions. Frankly, with all of the other moving parts (associated with other customer contract renegotiations, changing revenue requirements from the new organization structure, etc.) - we are of the opinion that this approach is the most appropriate option.
- As such, in our discussions with Flint we've taken care to identify these figures as hypothetical results indicative of rate calculations, as opposed to firm offers.
- Scenarios 3 and 4 (average day service only) have not been part of our discussions with Flint to date.
- As Sue mentioned, our most recent discussions with Flint have introduced a potential rate "credit" for them providing their own redundancy and/or for DWSD reserving wheeling rights in the event that Flint elects to move their delivery point to Imlay. These elements are not part of the existing DWSD rate structure and are less easily quantified.
- We've not included any "rate" impact of the sale of the 72-inch main to Flint, nor have we been definitive with how that would work in our discussions with Flint. We contemplate that the transaction could be negotiated in a manner that takes the items mentioned in the prior bullet into consideration. We are scheduled to have further conversations with Flint on these concepts tomorrow.

I trust that this information is responsive to your requests. Let me know if you have any questions.

--

Bart Foster
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Thank you.

From: Raphael Chirolla <chirolla@dwsd.org>
Date: Tuesday, December 11, 2012 9:42 AM
To: Bart Foster <bfoster@fostergroupllc.com>
Subject: Fwd: Indefinite-scope, Indefinite-delivery Contract Number 00383: City of Flint Water Supply Assessment

From: "David Guastella" <DGuastel@tyjt.com>
To: "Raphael Chirolla" <chirolla@dwsd.org>
Cc: latimer@dwsd.org, mccormick@dwsd.org, "George Karmo" <GKarmo@tyjt.com>, "Awni Qaqish" <aaqash@tyjt.com>, "John Cubba" <CUBBAJOHN@GMAIL.COM>
Sent: Tuesday, December 11, 2012 9:03:46 AM
Subject: RE: Indefinite-scope, Indefinite-delivery Contract Number 00383: City of Flint Water Supply Assessment

Raphael

Per our conversation please run the following two scenarios for supplying only Flint from Potter/Baxter and from Imlay. The first assumes that DWSD will provide 2/3 rds of the average and maximum day demands, while the second option assumes that the Flint WTP will supply anything above the average day demand requirements.

1. Annual Volume: 390,374 MCF (8 MGD Average Day Demand)
Maximum Day: 12 MGD
Peak Hour: 12 MGD
2. Annual Volume: 390,374 MCF (8 MGD Average Day Demand)
Maximum Day: 8 MGD
Peak Hour: 8 MGD

Let me know if you have any questions.

Dave

From: Raphael Chirolla [<mailto:chirolla@dwsd.org>]
Sent: Tuesday, December 11, 2012 8:45 AM
To: David Guastella
Cc: latimer@dwsd.org; mccormick@dwsd.org; George Karmo; Awni Qaqish; John Cubba
Subject: Re: Indefinite-scope, Indefinite-delivery Contract Number 00383: City of Flint Water Supply Assessment

Shown below are the fiscal year volumes requested in 4 (1 through 3 will follow):

Water Volume 10 Year History		
WATER_DISTRICT	YEAR	SumOfVOLUME
Flint	2003	1636751