

Stanton, Terry A. (Treasury)

From: Stibitz, Brom (Treasury)
Sent: Thursday, April 11, 2013 5:31 PM
To: Fraser, Roger (Treasury); Koryzno, Edward (Treasury); Headen, Frederick (Treasury); Stanton, Terry A. (Treasury); Buhs, Caleb (GOV)
Subject: FW: KWA Approval Letter
Attachments: Flint - KWA Approval.pdf; Ed Kurtz ltr.pdf

From: Stibitz, Brom (Treasury)
Sent: Thursday, April 11, 2013 5:25 PM
To: Ed Kurtz (ekurtz@cityofflint.com); mbrown@reinvestflint.org
Cc: Dillon, Andy (Treasury)
Subject: KWA Approval Letter

Ed,

Attached, please find the Treasurer's approval for Flint to move ahead with the KWA project. As you will see, the effective date of the approval is Tuesday, April 16. Further, as you will see in the letter, Treasury will expect a written notice from the City indicating that one of two conditions has been met: DWSD has not presented an additional offer, or that the offer was received and was rejected in good faith.

Please let me know if I can be of further assistance in this matter.

Regards,

Brom Stibitz
Senior Policy Advisor
Michigan Department of Treasury
517-373-3223
stibitzb@michigan.gov



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

ANDY DILLON
STATE TREASURER

Mr. Edward Kurtz
Emergency Manager
City of Flint
1101 South Saginaw Street
Flint, MI 48502

April 11, 2013

Dear Mr. Kurtz:

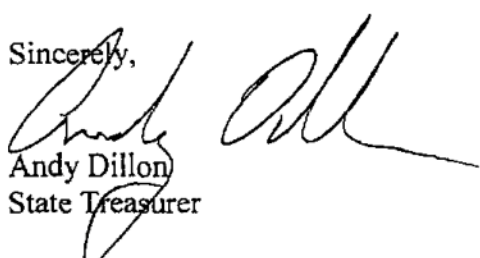
Thank you for your March 29, 2013 letter, which is attached for reference. As the Emergency Manager for the City of Flint ("Flint" or "City"), you have asked for my concurrence, pursuant to Public Act 436 of 2012, the Local Financial Stability and Choice Act, to authorize a contract in excess of \$50,000.00 not subject to competitive bidding. This request was related to the City entering into an agreement with the Karegnondi Water Authority (KWA) for provision of raw water for the City.

In considering your request, I took note of the following facts in support of Flint joining KWA. First, there is widespread support in the City for this move, including the support of the Mayor, the City Council, and the Emergency Manager. Second, this move will provide a unique opportunity for the City and County to partner on an important project, which will hopefully lead to future regional collaboration. Third, the Department of Environmental Quality is supportive of the City participating in the KWA project. Finally, your representations that this deal will lead to substantial savings for the City over the coming decades, savings that are desperately needed to help with the turnaround of the City of Flint.

It is my understanding that the Detroit Water and Sewer Department is making a final best offer to Genesee County and the City of Flint next Monday, April 15, 2013. As such, this approval will be effective at 5 pm on April 16, 2013 after receiving written notice from the City that either no such offer was presented to the county and the City or that an offer was received and was rejected in good faith based upon specified objections.

For the reasons described above and subject to the conditions set forth herein, pursuant to Section 12 (3) of PA 436 of 2012, I am authorizing you to proceed with adopting the resolution and entering into a contract with KWA.

Sincerely,


Andy Dillon
State Treasurer