

Headen, Frederick (Treasury)

From: Stibitz, Brom (Treasury)
Sent: Monday, April 15, 2013 11:56 AM
To: Headen, Frederick (Treasury)
Cc: Monticello, Frank (AG)
Subject: FW: KWA Approval Letter
Attachments: Water Service Agreement City of Detroit-City of Flint.pdf; Amendment No.1 Water Service Agreement 12201965.pdf

Fred – The City of Flint believes that if (when) they move ahead with KWA, that DWSD will sue over the issue. See his email below.

DWSD has been in the media talking about a “termination penalty” which the City of Flint does not believe exists in anything they have signed. Attached are the historical agreements.

Can you blast through and see if there is anything you see that would suggest a termination penalty would be allowed?

Frank – this is just FYI for you.

From: Ed Kurtz [mailto:ekurtz@cityofflint.com]
Sent: Friday, April 12, 2013 10:19 AM
To: Stibitz, Brom (Treasury)
Subject: Re: KWA Approval Letter

Thanks, looking forward to seeing the offer from DWSD. Front page article in the Detroit News this morning on the greatest water war in the history of Michigan. In the article they do make reference to substantial termination penalties. Our contract with DWSD goes back to 1965 and does not contain any language relative to termination fees. After 35 years (2000) it only requires a one year notice by either party to terminate the contract. I believed the new “model contracts” which we have not signed do contain termination penalties. I believe this is probably the first volley in what will probably be a legal attempt to delay the process if we go with KWA. Ed

On Thu, Apr 11, 2013 at 5:25 PM, Stibitz, Brom (Treasury) <StibitzB@michigan.gov> wrote:

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

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