

Stanton, Terry A. (Treasury)

From: Stibitz, Brom (Treasury)
Sent: Tuesday, April 16, 2013 8:40 AM
To: Stanton, Terry A. (Treasury); Buhs, Caleb (GOV)
Subject: FW: KWA and City of Flint
Attachments: KWA and City of Flint.pdf

http://www.mlive.com/news/flint/index.ssf/2013/04/detroit_delivers_proposal_for.html#incart_river

Ed Kurtz indicates they are looking at the proposal seriously, and that it is "not without merit."

From: Ed Kurtz [mailto:ekurtz@cityofflint.com]
Sent: Monday, April 15, 2013 6:28 PM
To: Stibitz, Brom (Treasury)
Subject: Fwd: KWA and City of Flint

----- Forwarded message -----

From: Debra Ragland <dragland@dwsd.org>
Date: Mon, Apr 15, 2013 at 6:08 PM
Subject: KWA and City of Flint
To: ekurtz@cityofflint.com
Cc: jwright@co.genesees.mi.us, dillona@michigan.gov, James Fausone <fausone@dwsd.org>, orrk@detroitmi.gov, Sue McCormick <mccormick@dwsd.org>

Please see attached on behalf of Sue F. McCormick.

Faxed copy forwarded to Mayor Dayne Walling and Jeff Wright.

April 15, 2013

Karengondi Water Authority
4160 Beecher Rd.
Flint, Michigan 48532-2617

Ed Kurtz, Emergency Manager
City of Flint
1101 South Saginaw Street
Flint, Michigan

Gentlemen:

Over the last several months, governed by a process laid out by the State of Michigan, the Detroit Water and Sewerage Department (DWSD) has proposed a number of alternatives for long term water supply to the City of Flint. Each alternative was offered in the spirit of working in earnest to address the needs, priorities and concerns of the City of Flint and each provided an immediate cost reduction when compared to the current costs of water purchased from DWSD. In the final analysis conducted by Flint, these proposals did not overcome the desire for the Flint/Genesee region to be served by the same system and to have a voice in the future decisions governing the provision of water to this region.

Many of the proposals DWSD has made to Flint during this period are applicable to Flint/Genesee County or KWA with adjustments to demand and use requirements and would provide similar overall benefit. These options remain available for further discussion should the parties' desire. These prior proposals are included in summary form in Attachment 1 as an expanded table 6-1 from the February 2013 State of Michigan Contract No. 271N3200089, City of Flint Water Supply Assessment, submitted by Tucker, Young, Jackson, Tull, Inc. For comparison purposes only, DWSD's new proposal (Flint's 30% allocated share) is inserted.

The proposal scenarios outlined today offer a public/public partnership with options tailored to Flint/Genesee County or KWAs interests. For ease of writing, the remainder of this memo will present this proposal to KWA. Two basic scenarios are presented for consideration, both of which contemplate that KWA would enter a multi-year contract. Service commitments and usage definitions would be negotiated in the same manner as employed that have resulted in new contracts for other customers.

In brief, the proposal provides a unique opportunity to reserve capacity at DWSD's Lake Huron Water Treatment Plant and to participate in decision making for facility operation and capital investment through a joint operating committee. The proposal envisions that KWA would enter into a 30-year contract to purchase treated water directly onsite at DWSD's Lake Huron Water Treatment Plant.