

Headen, Frederick (Treasury)

From: George Karmo <GKarmo@tyjt.com>
Sent: Wednesday, April 24, 2013 1:28 PM
To: Dillon, Andy (Treasury); David Guastella
Cc: Stibitz, Brom (Treasury); Saxton, Thomas (Treasury); Awni Qaqish
Subject: RE: Flint/GC Presentation

Mr. Dillon:

We have reviewed DWSD's final offer to Flint/ Genesee County of April 24, 2013 and find it responsive to Flint's concerns and their water demand requirements. The offer appears to mitigate all the potential risks to Flint (joining KWA) identified by TYJT in our February 2013 Report to you and our subsequent meetings.

We have one recommendation for consideration related to service redundancy (refer to bottom of page 2 and top of page 3 & Item 4, page 10 of the power point presentation material of DWSD's offer document): TYJT would recommend that Flint asks DWSD to construct the second redundant line from Imlay Station to Flint and possibly purchase the existing 72 inch Flint- Owned line from Baxter/Potter (FL-1) to the Flint WTP. This redundant line cost could either be allocated to the entire DWSD water system (common to all allocations) or the cost could be included under the new water rate to Flint (should push to be included in the common to all allocations). TYJT believes that this would result in the following benefits:

1. Since Flint is unable to cost- effectively bond capital, the cost of financing could be easily obtained by DWSD;
2. DWSD has detailed and unique engineering experience for large and lengthy transmission mains design and construction; and
3. Long term operation and maintenance of the piping would be the responsibility of one entity, thus mitigating in the future who may be responsible for water main failures (breaks, leaks, hydraulic transients, etc.).

With the twin line, redundancy will be afforded to Flint's supply which will help in eliminating the dependency on the WTP/Flint River (except for the use of the high lift pumps) and thus generating tremendous O&M savings.

Please let us know if need any additional support.

Regards,
George Karmo, P.E., BCEE
TYJT/President
[REDACTED] (direct office)
[REDACTED] (cell)
gkarmo@tyjt.com

-----Original Message-----

From: Dillon, Andy (Treasury) [mailto:DillonA2@michigan.gov]
Sent: Wednesday, April 24, 2013 10:11 AM
To: David Guastella; George Karmo
Cc: Stibitz, Brom (Treasury); Saxton, Thomas (Treasury)

Headen, Frederick (Treasury)

From: Ed Kurtz <ekurtz@cityofflint.com>
Sent: Friday, April 26, 2013 9:52 AM
To: Stibitz, Brom (Treasury)
Subject: Re: Detroit proposal

I have a phone conference frp, 12:15 to 1:30. Am available after that. Just let me know when. Ed

On Fri, Apr 26, 2013 at 9:45 AM, Stibitz, Brom (Treasury) <StibitzB@michigan.gov> wrote:
Do you have 10 minutes later this afternoon so you can discuss (over the phone) your response with Kevyn Orr?
It would be good if the two of you could talk before we get back to the Governor. He would appreciate you both coming to him, even though you might not accept their offer.

Sent from my iPad

On Apr 26, 2013, at 9:43 AM, "Ed Kurtz" <ekurtz@cityofflint.com> wrote:

> Just wanted to let you know that I received a call from the Flint Journal today. They have a copy of Detroit's latest proposal and wanted my comments on it. I have not returned there call nor do I intend to. Don't know where they got it from. Don't think it was from us,Ed