

Koryzno, Edward (Treasury)

From: Stibitz, Brom (Treasury)
Sent: Friday, March 29, 2013 3:21 PM
To: Fraser, Roger (Treasury); Koryzno, Edward (Treasury)
Subject: FW: Ed Kurtz Letter
Attachments: Ed Kurtz ltr.pdf

FYI

From: Rodriguez, Faith (Treasury)
Sent: Friday, March 29, 2013 3:15 PM
To: Stibitz, Brom (Treasury); Dillon, Andy (Treasury)
Cc: Cousineau, Sara (Treasury); Hichez, Amy (Treasury)
Subject: Ed Kurtz Letter

This was dropped off this afternoon.

Thanks,

Faith Rodriguez

General Office Assistant

Executive Office - Department of Treasury

(517) [REDACTED] - direct

(517) 373-3223 - main



Edward J. Kurtz
Emergency Financial Manager

March 29, 2013

Dayne Walling
Mayor

RECEIVED

MAR 29 2013

OFFICE OF THE STATE TREASURER

Andy Dillon, Treasurer
Michigan Department of Treasury
Lansing, MI 48922

Dear Treasurer Dillon:

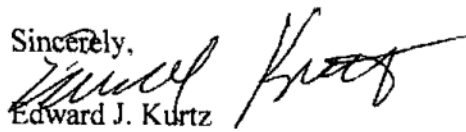
As per Section 12 (3) "Except as otherwise provided in this subsection, any contract involving a cumulative value of \$50,000.00 or more is subject to competitive bidding by an emergency manager. However, if a potential contract involves a cumulative value of \$50,000.00 or more, the emergency manager may submit the potential contract to the state treasurer for review and the state treasurer may authorize that the potential contract is not subject to competitive bidding".

KWA needs commitment from its members regarding the capacity that each member will purchase in the pipeline. Capacity is available to members in increments of 1 million gallons per day known as units. For each unit of a capacity that a member purchases, the buyer shall pay to the KWA a one time fee of \$32,300.00. Additionally, the buyer shall pay to the KWA not less than \$32,300 per unit per year until such time as water is made available to the buyer. After water is made available, the buyer shall pay to the KWA an estimated amount not to exceed \$335,300.00 per unit per year until such time as the bonds are paid in full. If it is determined that the costs per unit will exceed \$355,300.00 the buyer has a right to cancel the contract".

Therefore, the Emergency Manager (EM) is asking Treasury to authorize the EM to adopt a resolution to and enter into a contract with KWA for up to 18 MDGS based on the above terms.

If you need additional information, please contact me.

Sincerely,


Edward J. Kurtz
Emergency Manager