

Koryzno, Edward (Treasury)

From: Koryzno, Edward (Treasury)
Sent: Monday, January 21, 2013 10:18 AM
To: Stibitz, Brom (Treasury); Fraser, Roger (Treasury)
Subject: RE: Flint/KWA

I believe Ed Kurtz stated that the Flint City Council is 100% in favor of the KWA option.

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

From: Stibitz, Brom (Treasury)
Sent: Friday, January 18, 2013 6:20 PM
To: Fraser, Roger (Treasury); Koryzno, Edward (Treasury)
Subject: Flint/KWA

Andy is pretty reluctant to have an unelected EM/EFM make the decision on the KWA. Do we have any sense where the council is on this issue? I think he would feel much better if we had a supportive resolution from the Council.

Can you please inquire?

Sent from my iPad



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

ANDY DILLON
STATE TREASURER

ANALYSIS

TO: Edward Koryzno, Administrator; Office of Fiscal Responsibility

FROM: Eric Cline, Unit Operations Specialist

SUBJECT: Flint Water System Status Assessment

DATE: January 22, 2013

On November 26, 2012, the Department of Treasury commissioned the firm of Tucker, Young, Jackson & Tull, Inc. (TYJT) to analyze options for the City of Flint to either remain a customer of the Detroit Water & Sewer Department (DWSD) or to join the Karegnondi Water Authority (KWA) in Genesee County. The overarching purpose of this study was to provide objective analysis to the State Treasurer and to Flint's Emergency Financial Manager (EFM) in order to secure potable drinking water for the City for the foreseeable future. The Office of Fiscal Responsibility (OFR) has been the lead office representing Treasury on this project.

On December 21, 2012, staff from TYJT met with representatives from the Department of Treasury and the City of Flint to provide a preliminary report on their findings. At this meeting, TYJT outlined 5 options that they had analyzed. These options were: 1) 100% water provision by the City of Flint Water Plant from its water source of the Flint River; 2) 100% provision of untreated Lake Huron Water by KWA (which would require treatment by the Flint Water Plant); 3) Effective 100% provision of treated drinking water by DWSD; 4) Provision of variable amounts of water from DWSD through the existing Potter & Baxter mains (this option called for Flint to treat and *blend* river water into DWSD water in order to reach their daily needs); and 5) Provision of variable amounts of water from DWSD through the 72" Imlay City main (this option also called for Flint to treat and *blend* river water into DWSD water in order to reach their daily needs). Each of the blending options looked at Flint purchasing 4, 8, or 12 Million Gallons per Day (MGD) from DWSD and blending the balance in river water to achieve their maximum daily water needs of 18 MGD. The Imlay City option also provided for DWSD to sell the 72" main to the City of Flint, which would then become the operational and maintenance responsibility of Flint.

From the presentation of the preliminary report on December 21 to the planned submission of the final report to the State by TYJT, a number of developments have occurred that have resulted in a final decision becoming more complex to make. First, the City of Flint received slightly modified proposals from DWSD; one on December 21, 2012, and the second on January 10, 2013.

On January 8, 2013, the OFR received, via the City of Flint, a written response from Rowe Professional Services Company (Rowe), the principal engineering firm for KWA, disputing a number of the conclusions reached by TYJT regarding the construction of the KWA pipeline. It should be noted that