

Koryzno, Edward (Treasury)

From: Cline, Richard (Treasury)
Sent: Monday, March 11, 2013 11:50 AM
To: Koryzno, Edward (Treasury); Byrne, Randall (Treasury)
Subject: KWA Follow-up
Attachments: Project Costs for Flint.DWSD KWA Analysis.01-22-13.pdf
Importance: High

- 1) **Attachment** – Attached.
- 2) **KWA Projections Cheaper Than DWSD** – There are two references in the report regarding this. The first is on Page 2 (4th Bullet Point) and on Page 4 (1st Paragraph under *Conclusions*). Both comments are referring to **construction costs** not future rates. Specifically, these comments are comparing the 100% DWSD water provision option is more expensive than either KWA's own construction estimate or TYJT's estimate of KWA construction costs. This comparison is visually presented on Page 17 of TYJT's Final Report.
- 3) **Impact of Parallel Line Option** – No substantive analysis has been conducted on this option so the impact is unclear. To develop a solid recommendation, a study (possibly using TYJT) would have to be commissioned. In a February 22, 2013 e-mail to Brom Roger stated:

As you may recall, while receiving water from DWSD, an ongoing requirement, imposed by DEQ, is for a backup water system in Flint in case of failure of the DWSD service. To that end, Flint has been required to maintain their water plant, even though it rarely has been used. In the parallel line option, Tucker Young suggests that the need for Flint to maintain their water plant while receiving water from DWSD, might be resolved by running a parallel line from Imlay City that would provide a second means of delivery for DWSD treated water. That parallel line could, in the thoughts of Tucker Young, also resolve certain backup issues for other parts of the DWSD system.

[Cline, Richard (Treasury)] This is a very complex issue and is not easily summarized. If there is interest in this concept, more hard engineering needs to be performed before a better impact analysis can be performed.

If you have further questions, please let me know.

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From: Koryzno, Edward (Treasury)
Sent: Tuesday, March 05, 2013 8:02 AM
To: Byrne, Randall (Treasury)
Cc: Cline, Richard (Treasury)
Subject: Fwd: KWA

Let's discuss.

Sent from my iPhone

Begin forwarded message:

From: "Stibitz, Brom (Treasury)" <StibitzB@michigan.gov>
Date: March 4, 2013, 9:19:04 PM EST
To: "Koryzno, Edward (Treasury)" <KoryznoE@michigan.gov>
Cc: "Fraser, Roger (Treasury)" <FraserR1@michigan.gov>
Subject: KWA

Couple of followup questions on the memo.

- 1) I can't find an attachment that is referenced.
- 2) The statement is made a couple times that even the most expensive KWA projection is still cheaper than DWSD. What assumptions are made about rate increases for DWSD that leads to this conclusion?
- 3) How does the new issue of the second pipe for redundancy change the equation? Does it affect the recommendation?

Thanks.

Sent from my iPad